

ANNUAL REPORT | 2020



# SOVEREIGN IN WAVE



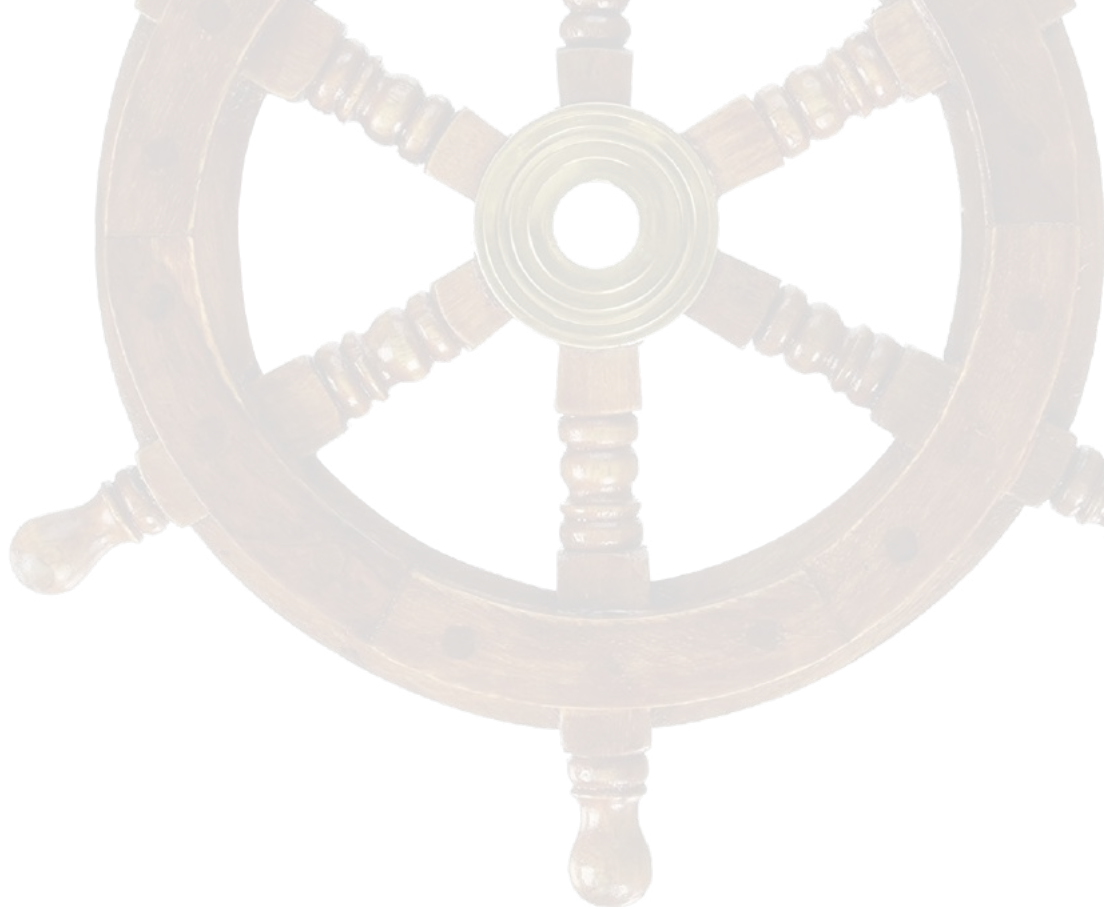
**Bashundhara Paper Mills Ltd.**

A Concern of Bashundhara Group



## Sovereign in Wave

The theme “Sovereign in Wave” defines that this company has the own capability to maintain distinction even in any calamitous situation. As well as the wheel of a ship, used as in metaphor, implies the process of total internal and external control by the competent and skilled leadership.



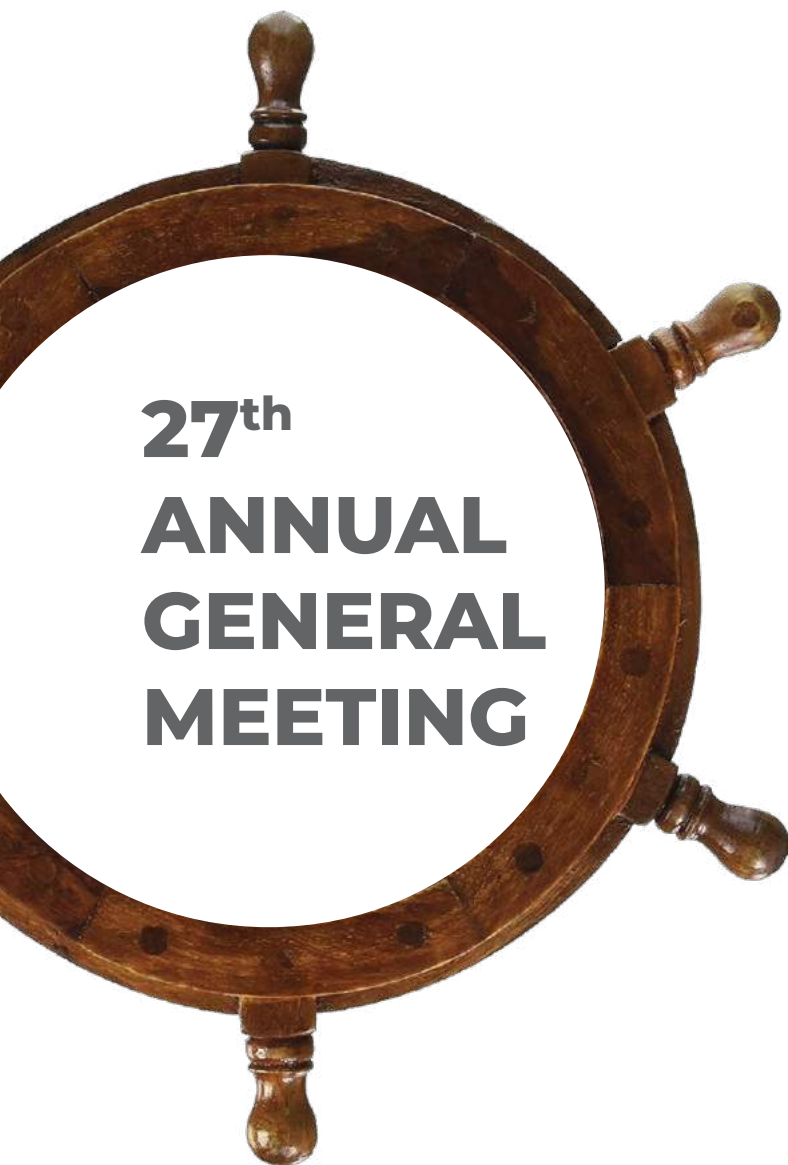
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**27<sup>th</sup>**  
**ANNUAL**  
**GENERAL**  
**MEETING**





# LETTER OF TRANSMITTAL

To

**All Stakeholders of Bashundhara Paper Mills Limited;  
Bangladesh Securities and Exchange Commission;  
Registrar of Joint Stock Companies and Firms;  
Dhaka Stock Exchange Limited;  
Chittagong Stock Exchange Limited;  
Bangladesh Bank and all Financial Institutions;  
National Board of Revenue.**

**Concertation: Annual Report of Bashundhara Paper Mills Limited for the year ended  
30 June 2020.**

Dear Sir (s),

We are pleased to present before you the Annual Report of the Bashundhara Paper Mills Limited (BPML) along with the audited Financial Statements as on 30 June 2020 for your kind information and record.

General review of this, unless explained otherwise, is based on the financials of the 'BPML'.

Yours sincerely,

Sd/-

**M. Mazedul Islam**

Company Secretary in charge



# NOTICE OF ANNUAL GENERAL MEETING



**Bashundhara Paper Mills Ltd.**

Registered Office: Plot-125/A, Road-2, Block -A, Bashundhara R/A, Dhaka-1229

## NOTICE OF THE 27th ANNUAL GENERAL MEETING

(Virtual Meeting through Digital Platform)

Notice is hereby given that the 27th Annual General Meeting of the Members of Bashundhara Paper Mills Limited will be held on Thursday, 24 December, 2020 at 10:30 AM (local time) by using Digital Platform through the link- <http://bpml.digitalagmbd.net> to transact the following business:

### A. Special Business:

To consider and if deem fit to pass the following resolution as “**Special Resolution**” to be read as follows-

#### 1. To amend the Article no. 122 of the Articles of Association of the Company.

“122. Subject to the approval of the Board of Directors, the company can open bank account(s) with any schedule bank(s) and financial institution(s). The company's bank account(s) would be operated- i) jointly by two Directors; and/or ii) by any other person or persons as decided or nominated by the Board of Directors from time to time.”

#### 2. To amend the IPO Prospectus: BO ID number of two Directors of the Company.

“That the BO ID numbers of - i) Mr. Md. Imrul Hassan and ii) M/S. East West Property Development (Pvt.) Ltd. be and are hereby amended as 1203250018087777 and 1601880000066143 respectively, instead of 1202550023711915 and 1202550025299080 at Part-XXIII (b), Page no. 238 in the IPO Prospectus of the Company with immediate effect.”

### B. Ordinary Business:

1. To receive, consider and adopt the Directors' Report, the Auditors' Report and the Audited Accounts of the Company for the Financial Year ended on 30 June 2020;
2. To declare and approve the Dividend for the Financial Year ended on 30 June 2020;
3. To elect the Directors;
4. To appoint Statutory Auditors for the Financial Year 2020-2021 and to fix their remunerations;
5. To appoint Compliance Auditors for the Financial Year 2020-2021 and to fix their remunerations.

By Order of the Board of Directors  
Sd/-

**M. Mazedul Islam**

Company Secretary in charge

Date: 26 November, 2020







#### **Notes:**

- i. The **“Record Date”** of the Company has been fixed on **30/11/2020**. Members whose names appeared in the Company's Member Register (certificated and depository) at the close of business on the Record Date be entitled to attend/join the Annual General Meeting. General Shareholders **(excepting the Sponsors, Directors and Pre-IPO placement holders)** will only be entitled to receive the dividends;
- ii. The 27th AGM of the Company would be conducted through **“Digital Platform”** in accordance with the Order No. SEC/ SRMIC/04-231/932 dated 24 March 2020 of Bangladesh Securities and Exchange Commission (BSEC);
- iii. The details log-in process for the meeting though the mentioned link will be available in the Company's website **www.bashundharapapermills.com** and the link will be emailed to the respective Member's address which is available with the registers on the record date. The members will be able to log-in with the link 24 hours before the time fixed for the Meeting for expressing their valuable comments. Please visit the website for technical assistance (if any) in accessing the virtual meeting;
- iv. Any member entitled to attend and vote at the Annual General Meeting may appoint a proxy on his/her behalf provided that such proxy must be a member of the company. The Proxy Form (attached with the Annual Report) must be affixed with revenue stamp of Tk. 20/- and must be sent through at the email to **cosec\_bpml@bg.com.bd** not later than 72 hours before the time fixed for the Meeting;
- v. Members are requested to notify the changes of their bank accounts and addresses including email addresses (if any), through their respective Depository Participants (DP) well in time;
- vi. The soft copy of the Annual Report-2020 of the Company will be sent to the e-mail addresses of the Members available in their BO accounts maintained with the CDBL as per BSEC Notification No. BSEC/CMRRC D/2006-158/208/Admin/81 dated 20 June 2018. The Annual Report-2020 will also be available in the website **www.bashundharapapermills.com** of the Company.

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# ২৭তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি



## বসুন্ধরা পেপার মিলস্ লি:

রেজিস্টার্ড অফিসঃ প্লট-১২৫/এ, রোড-২, ব্লক-এ, বসুন্ধরা আ/এ, ঢাকা-১২২৯

### ২৭তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

(ডিজিটাল প্রাটফর্মের মাধ্যমে)

এতদ্বারা বসুন্ধরা পেপার মিলস্ লিমিটেডের সকল শেয়ারহোল্ডারবৃন্দ সহ সংশ্লিষ্ট সকলের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আগামী ২৪ ডিসেম্বর, ২০২০ইং রোজ বৃহস্পতিবার সকাল ১০.৩০ ঘটিকায় ডিজিটাল প্রাটফর্মের মাধ্যমে link- <http://bpml.digitalagmbd.net> ব্যবহার করতঃ অত্র কোম্পানীর ২৭তম বার্ষিক সাধারণ সভা নিম্নবর্ণিত বিষয়াদি সম্পাদনকল্পে অনুষ্ঠিত হবেঃ

#### ক. বিশেষ আলোচ্য-সূচীঃ

যথাপোযুক্ত বিবেচিত হলে নিম্ন-লিখিত সিদ্ধান্ত সমূহকে “বিশেষ সিদ্ধান্ত” হিসাবে বিবেচনা ও অনুমোদন।

#### ১. কোম্পানীর সংঘ-বিধি ধারা নং-১২২ সংশোধন :

“১২২ কোম্পানীর পরিচালকমন্ডলীর অনুমতিক্রমে অত্র কোম্পানী যে কোন তফসিলভুক্ত ব্যাংক বা আর্থিক প্রতিষ্ঠানে হিসাব খুলতে পারবে। কোম্পানীর ব্যাংক হিসাব- i) দুই (০২) জন পরিচালকের যৌথ স্বাক্ষর দ্বারা এবং/অথবা ii) পরিচালকপর্ষদের মনোনীত কোন ব্যক্তি বা ব্যক্তিবর্গের যৌথ স্বাক্ষর দ্বারা পরিচালিত হবে।”

#### ২. প্রথমিক গণ-প্রস্তাব বিবরণীতে দু'জন পরিচালকের বিও নম্বর সংশোধন :

“এতদ্বারা অত্র কোম্পানীর প্রথমিক গণ-প্রস্তাব বিবরণী পার্ট-XXIII (b), ২৩৮ পাতায় প্রকাশিত কোম্পানীর দু'জন পরিচালক- ১) জনাব মোঃ ইমরুল হাসান এবং ২) মের্সিস ইস্ট ওয়েস্ট প্রপার্টি ডেভেলপমেন্ট (প্রাঃ) লিঃ- এর বিও নম্বর যথাক্রমে ১২০২৫৫০০২৩৭১১৯১৫ এবং ১২০২৫৫০০২৫২৯৯০৮০ এর পরিবর্তে বিও নম্বর ১২০৩২৫০০১৮০৮৭৭৭৭ এবং ১৬০১৮৮০০০০০৬৬১৪৩ দ্বারা সংশোধন করে অবিলম্বে কার্যকর করার সিদ্ধান্ত গৃহীত হল।”

#### খ. সাধারণ আলোচ্য-সূচীঃ

১. ৩০শে জুন ২০২০ইং তারিখে সমাপ্ত আর্থিক বৎসরের নিরীক্ষিত বার্ষিক আর্থিক প্রতিবেদন এবং তৎসঙ্গে নিরীক্ষক ও পরিচালকমন্ডলীর প্রতিবেদন সমূহ গ্রহণ, বিবেচনা ও অনুমোদন;

২. ৩০শে জুন ২০২০ইং তারিখে সমাপ্ত আর্থিক বৎসরের জন্য লভ্যাংশ ঘোষণা ও অনুমোদন;

৩. অত্র কোম্পানীর পরিচালকগণের নির্বাচন;

৪. ২০২০-২০২১ইং আর্থিক বৎসরের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

৫. ২০২০-২০২১ইং আর্থিক বৎসরের জন্য কমপ্লায়েন্স নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

পরিচালকমন্ডলীর আদেশক্রমে

স্বাক্ষরিত

এম. মাজেদুল ইসলাম

কোম্পানী সচিব-ভারপ্রাপ্ত

তারিখ- ২৬ নভেম্বর, ২০২০ইং





## দৃষ্টব্যঃ

১. অত্র কোম্পানীর রেকর্ড ডেট ৩০/১১/২০২০ইং তারিখে নির্ধারণ করা হয়েছে। উক্ত তারিখে যে সকল শেয়ারহোল্ডারগণের নাম অত্র কোম্পানীর সদস্য বহিতে (ডিপোজিটরী) অন্তর্ভুক্ত থাকবে তাঁরা অত্র কোম্পানীর ২৭তম বার্ষিক সাধারণ সভায় যোগদান করতে পারবেন। উদ্যোক্তাগণ, পরিচালকবৃন্দ এবং প্রাক-প্রাথমিক গণপ্রস্তাবে অংশগ্রহণকারী শেয়ারহোল্ডারগণ (প্রি-আইপিও প্লেসমেন্টহোল্ডার) ব্যতীত সকল সাধারণ শেয়ারহোল্ডারগণ ঘোষিত লভ্যাংশ প্রাপ্তির জন্য যোগ্য বলে বিবেচিত হবেন।
২. বিএসইসি-এর নির্দেশনা নং SEC/SRMIC/04-231/932 তারিখ ২৪ মার্চ ২০২০ অনুযায়ী ২৭তম বার্ষিক সাধারণ সভা ডিজিটাল প্ল্যাটফর্মের মাধ্যমে অনুষ্ঠিত হবে।
৩. ২৭তম বার্ষিক সাধারণ সভায় সংযুক্ত (লগ-ইন) থাকার প্রক্রিয়া কোম্পানীর ওয়েবসাইটঃ [www.bashundharapapermills.com](http://www.bashundharapapermills.com) - এ প্রদান করা হয়েছে। এবং এ সংক্রান্ত মাধ্যম (লিঙ্ক) সম্মানিত শেয়ারহোল্ডারগণের ই-মেইলে যথাসময়ে প্রেরণ করা হবে। বার্ষিক সাধারণ সভা শুরু হবার ২৪ ঘন্টা পূর্বে সম্মানিত শেয়ারহোল্ডারগণ লিঙ্ক যুক্ত (লগ-ইন) হয়ে তাদের মূল্যবান মতামত প্রদান করতে পারবেন। উক্ত সাধারণ সভায় প্রযুক্তি ব্যবহারের সংক্রান্ত কোন সহযোগীতা যদি প্রয়োজন হয় তবে, সম্মানিত শেয়ারহোল্ডারগণ কোম্পানীর ওয়েবসাইটের সহায়তা নিতে পারেন।
৪. ২৭তম সভায় সংযুক্ত ও ভোট দানের জন্য যোগ্য যে কোন সদস্য, তার পরিবর্তে অন্য যে কোন সদস্যকে (Proxy) হিসাবে নিয়োগ প্রদান করতে পারবেন। প্রক্সি (Proxy) ফরমে ২০/- টাকা মূল্যমানের রাজস্ব টিকেট সংযুক্ত করে তা যথাযথভাবে পূরণ-পূর্বক বার্ষিক সভা শুরু হবার অন্তত ৭২ ঘন্টা পূর্বে কোম্পানীর শেয়ার বিভাগে অথবা ই-মেইলের মাধ্যমে [cossec\\_bpml@bg.com.bd](mailto:cossec_bpml@bg.com.bd) ঠিকানায় পৌছাতে হবে।
৫. সম্মানিত শেয়ারহোল্ডারগণের ব্যাংক হিসাব ও ঠিকানা (ই-মেইল ঠিকানাসহ) পরিবর্তন বিষয়ক তথ্যাদি (যদি থাকে) সংশ্লিষ্ট (ডিপোজিটরী পার্টিসিপেন্ট) এর মাধ্যমে অত্র কোম্পানীকে যথাসময়ে অবহিত করার জন্য অনুরোধ করা যাচ্ছে।
৬. বিএসইসি-এর নির্দেশনা নং : BSEC/CMRRCD/2006-158/208/Admin/81 তারিখ ২০ জুন, ২০২০ অনুযায়ী ই-মেইলের মাধ্যমে সম্মানিত শেয়ারহোল্ডারগণকে ২০১৯-২০২০ইং আর্থিক বৎসরের বার্ষিক প্রতিবেদন যথাসময়ে প্রেরণ করা হবে। এছাড়া বার্ষিক প্রতিবেদন বিবরণী অত্র কোম্পানীর ওয়েবসাইটঃ [www.bashundharapapermills.com](http://www.bashundharapapermills.com) - এ প্রদান করা হয়েছে।





Careline  
16339

Bashundhara

# Anti-Bacterial Wet Wipes



Refreshing & Germ Killer



## Protect yourself

From Bacteria, Virus, Micro Germs etc.

Clean your hand and face after a stressful day.

**Bashundhara Antibacterial Wet Wipes** provide effective protection from various germs on both skin and material surfaces, easy to use at home and on the go. It is efficient to kill 99 percent of germs in places around us.

### Body Parts and Areas to Sanitize:

- Hand • Face • Laptop • Mouse • Keyboard • TV\AC Remote
- Mobile Phone • Wallet • Car Key • Door Handle • Lift Button etc.



[/hygienelovers.btiissue](https://www.facebook.com/hygiene lovers.btiissue)





# ACCESS PROCESS TO JOIN VIRTUAL GENERAL MEETING

Considering the health and safety of all the Stakeholders of Bashundhara Paper Mills Limited due to global pandemic situation, the Board of Directors has arranged its 27th Annual General Meeting through digital platform in accordance with the BSEC's order no. SEC/SRMIC/04-231/932 dated 24 March 2020.

The valued shareholders can be join/conduct in the virtual meeting via live webcast by using the link: <http://bpml.digitalagmbd.net>. The access process of join in the virtual meeting adhere for the convenience of the shareholders. So that, the shareholders are able to participate fully and equally from any location of the world.

## ACCESS

Login **as a Shareholder** you'll have to-

- Click shareholder Tab
- Enter BO ID/ Folio in the text box.
- Enter number of shares held as of record date.
- Click login.

And to login in **as Proxy**-

- Click Proxy Tab.
- Enter BO ID of original shareholder.
- Enter number of shares held by original shareholder.
- Enter BO ID of proxy shareholder
- Enter number of shares held by proxy shareholder.
- Click login.

## QUESTION & ANSWER

BPML encourages shareholders to ask out anything as per the agenda to the board and management. The management will try to answer the questions as they come in.

The login link shall be open before 24 hours of the meeting for put valuable comments and suggestion of the shareholders.

## VOTE

Shareholder shall be to vote either in favor or against of any proposed agenda using the option of the tab.

The vote shall be count based on number of shares held by that shareholder. The voting result shall be published in real time at the time of approval on the specific agenda.

## 27th AGM Helpline:

**Mr. M. Mazedul Islam**  
mazedul.islam@bg.com.bd

**Mr. Md. Mahbubur Rahman**  
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You may download a digital copy of the Annual Report-2020 by scanning this QR code on your smart device.



You may also download a copy of this Annual Report from the website: [www.bashundharapapermills.com](http://www.bashundharapapermills.com)





# COMPANY **OVERVIEW**







# PERFORMANCE AT A GLANCE FY 2019-2020





**BASHUNDHARA GROUP**  
*For the People, for the Country*





# OVERVIEW ON **BASHUNDHARA GROUP**

Bashundhara Group, has started its journey as a real estate venture known as "**Bashundhara**" under the aegis of the group's first concern- the East-West Property Development (Pvt.) Ltd in 1987. By the ramifications of this success, Bashundhara concentrated to invest in many new arenas like Manufacturing, Trading and Service. Most of the enterprises were established in the early 1990s, covering diverse activities involving the production of Cement, Paper and Pulp, Tissue paper, Shipping, Foods, Refinery, LPG bottling and distribution, and trading company, among others. The group experienced this tremendous growth over the last two decades. The Group's first publicly-traded company, the Meghna Cement Mills Limited, is listed in 1996 and the last addition by Bashundhara Paper Mills Ltd. on 2018 with the two Stock Exchanges of Bangladesh.

The group has established a media house named "East West Media Group Ltd" which was in 2009. This house owns Bangla daily – "Kaler Kantho", "Bangladesh Pratidin", English daily "Daily Sun" and online portal "Banglanews24.com". The media house also introduced a FM radio known as "Radoi Capital 94.80" and a television news channel "News24" in 2016 as well.

A micro-credit program under Bashundhara Foundation, Bashundhara Technical Institute, Bashundhara ad-din Medical College Hospital, Bashundahara Eye Hospital & Research Institute and Bashundhara Special Children Foundation are being operated by the assistance and patronization of the group. The group also a patron of Sheikh Jamal Dhanmondi Cub Ltd. and Sheikh Russel Krira Chakra Ltd.

This Group has come a long way in reaching its goals by listening to customer's needs, learning real-time lessons from past projects, innovating and partnering its project implementation process. Around 50,000 employees directly and 200,000 indirectly continuously contributing to grow up this Group. Through major investment undertakings in all key sectors, Bashundhara has a meaningfully contributed to the country's socio-economic stability in financial and capital markets. Underlying all of the Group's activities are the common threads of change, flexibility, and fostering closer ties with the Government, the City Corporation and Bashundhara customers. Most of its projects have been success stories - this fact alone is enough to justify its moto "For the **People**, for the **Country**".





# OVERVIEW ON THE BPML



Bashundhara Paper Mills Limited incorporated as a private limited company in the year 1993 and subsequently it was converted into a public limited company, now a publicly listed company. After starting its commercial operation as an import-substitute local paper manufacturing company another two companies of the Bashundhara Group of same nature namely "Bashundhara Newsprint & Duplex Board Industries Limited" (Former Shahjalal News Print Industries Ltd.) and "Bashundhara Tissue Industries Limited" (Former Freyschmidt Tissue Limited) amalgamated with BPML on October 10, 2009. After the amalgamation of all three companies carrying out its business as a single legal entity and operated three separate units as "Unit-1", "Unit-2" and "Unit-3" for the administrative purpose.

The three industrial units, are separate in their location and product diversity. All are equipped with industry-best state-of-the-art facilities and are regularly going through meticulously opted refurbishment processes to cope up achieving "scale of economies" and "resource conservation" esp. in energy (power consumption) and water usage per unit output. These significant alterations have been easily accomplished backed by dependable partnerships with World's top technology providers e.g. Valmet, Andritz, ABB, Siemens, Voith, Caterpillar, Gapcon, Cleaverbrooks, Thermex, Sigma Engineering, Recard, Parker, Eurotherm, OK Machineries, Adpep, Taisan, Omet, ZWC etc.

The company has been relentless over more than two decades to offer its diversified products ranging from different types of Paper, Tissue & Hygiene portfolio, thereby it has rightly been entrusted from customer's fraternity of home and abroad. At present, Bashundhara Paper is the trusted source of volume Paper-needs of both Government level and, while keep general consumers pace of exporting to over 35 different global destinations. Noteworthy, it has been successful to become the only Company in Bangladesh having the certification of ISO 9001:2015 and FSC-CoC at the same time, certainly due to its thrust on environment is visible in various eco-friendly initiatives at the Plant sites by adopting modern technology and process innovations. On the other hand, quality of products in line with the market demand and by an efficient management the company introduced itself as the change leader in this industry.





### BPML (Unit-1)

The unit-1 was established in 1993 with an integrated paper plant with 36,000 MT and 43,200 MT tissue per annum installed capacity. It commenced its commercial production in February 1997 to address the rapidly growing local demands of Paper and Paper products. Over the years, the production capacity has been enhanced with the addition of 3 more paper plants and 10 converting units.

In this Unit the company produce a diversified product range from 20 GSM to 300 GSM of different grades of White Writing & Printing Papers, Carbonless Paper, Colored/ Offset Printing & Wrapping Papers, Color Ledger Paper, Sticker Papers, Cigarette Tipping Papers, OGR Paper, Exercise Books, A4 Paper, Paper Sack also time to time produce plng warps stiffener Glassine paper, PP woven Bag, MG paper, Coted , uncoated Paper Board and all types of tissue etc. The very Company was the pioneer to introduce local-made Offset Paper in the Market.

Periodic renovation and modernization of the Plant machineries well foreseen by the skilled resources of home and abroad have helped the plant to remain in healthy condition even after decades. The Company's firm commitment and success delivering high quality products and services to customers has been the major reason to attain and retain the leadership position of this country.

### BPML (Unit-2)

It was formally known as Bshundhara Newspaper & Duplex Board Ltd. before amalgamations with the PBML, The Unit-2 three modern plants in producing newsprint, white writing/printing paper, duplex board, liner paper, Kraft paper, Art card, art paper and allied products.

The first plant produces duplex boards and other industrial packing papers used in packaging industry. An off line coater produces coated duplex board & Art card in this unit. The second unit produces environment friendly newsprint from recycled pulp (DIP) for national dailies, weeklies, fortnightlies. It also produces writing and printing paper for local consumption and also for printing text book for NCTB.

### BPML (Unit-3)

Unit-3 of Bashundhara Paper Mills Limited, formerly known as Bashundhara Tissue Industries Limited, was set up at Anarpura, Gazaria, Munshiganj in 1995. It is the country's first basic tissue manufacturing factory at the face of growing popularity of tissue with fast changing urban lifestyle and elevation of living standards as a whole.

The Unit-3 was set up This first basic tissue paper manufacturing facility in Bangladesh later emerged as the pioneer in the trade at the backdrop of rising demands of Tissue products thanks to changing lifestyle of urban to suburban consumers – 'Bashundhara Tissue' has become a trusted name with solid brand equity.

The unit, obsession towards Quality and Customer Satisfaction is reflected in understanding & fulfilment of expectations of the consumers, big or small. This in turn has been a key factor in its growth and the advantage that the Company has been able to build over the years in terms of a wide and loyal distribution network throughout Bangladesh.





## OUR MISSION

We Are Passionate  
About Helping the World Excel In Education,  
Communication, Business And Salutariness  
By Offering Eco-Sustainable  
Paper-Based Solutions.





# OUR VALUES

Values form the acronym SPIRIT and it is the SPIRIT in which we operate. The word SPIRIT stands for SOUL, ESSENCE, LIFE and ATTITUDE. This the Spirit that nourishes the SOUL of the people of 'Bashundhara Paper'; it is the ATTITUDE and the ESSENCE that gives LIFE to our winning culture.



## Supportive

we value, respect, develop, reward, appreciate and empower each other and help each other to grow to their true potential



## Passionate

we love our company and we love winning



## Integrity

we listen to our conscience and do the right thing all the time



## Responsible

we are responsible to all our stakeholders



## Ingenuity

we are always ahead through innovation and operational excellence



## Togetherness

we are stronger when we work as one team





# COMMITMENT AND PRIORITY

In near future our Stakeholders will see Bashundhara Paper as a company driven by a passionate team of employees, operating in a professional manner, guided by powerful mission, more specifically;

Our globally accepted eco-sustainable product range is designed and manufactured to add value to our Customers and as a result our local and international markets are growing significantly.



Our Team Member satisfaction ratings grows will be increase per year as we help employees, our greatest resource, to live their dreams in a happy work place governed by supportive HR polices and process.

Our Suppliers rate us as their best customers and give us preference as we have policies that help them be successful keep our commitments and treat them as our business partners.







Our Financial Institutions consider us one of the most reliable companies in the industry and provide us favorable terms due to the professional manner we conduct our business.

Our Regulatory authorities rate us one of the best complaint companies in the industry as we are transparent in relation to laws governing our business and pay taxes, bills and wages in an accurately and timely manner.



Our Shareholders are proud about the professional manner in which the organization operates, and are satisfied with the tangible and non-tangible return the company provides.

Our Society sees us as one of the most socially responsible companies as we use eco-sustainable manufacturing, provide employment with good benefits, support education and improve salutary practices.



# Bashundhara Paper



With a driving principle “For the People, For the Country” of the Bashundhara Group, **Bashundhara Paper** has started its triumphant journey in **1993**.

In this relentless journey, Bashundhara Paper has been able to continue its success with its extensive distributor network and has reached more than **30** countries across the world. Apart from writing and printing paper, Bashundhara Paper has been produced & marketed of about **100** types of papers to meet the continuing needs of consumers.

In this long journey, Bashundhara Paper has always been uncompromising in quality control and has won the trust of consumers; and acquired all the outstanding titles, including ISO 9001: 2015, ISO 14001: 2015, FSC-COC Certification,

We would like to thank all the consumers, distributors and well-wishers for their unwavering confidence and love for the brand “Bashundhara Paper”



**Bashundhara Paper Mills Ltd.**  
(AN ISO 9001:2015 & ISO 14001:2015 CERTIFIED COMPANY)



[www.bashundharapapermills.com](http://www.bashundharapapermills.com)





# CODE OF CONDUCTS

Fair governance practice is the key to inclusive and sustainable growth. We have clearly articulated in our organizational code of conduct- guidelines. All the probable is as involving ethical dilemmas for the responsible and values - driven management and control i.e. our code of conduct and ethical guidelines are as follows:

## Compliance of Laws

All our employees are to follow and comply with the laws of the land and internal rules and regulations of the Company and the Bashundhara Group as well.

The Company maintains business practices with highest integrity and ensure accuracy of all transactions. It shores up the privacy of the customers' affairs. Employees of the company divulge the BPML's plans, methods, and activities considered by the employer to be proprietary and confidential'. Moreover, employees are not expected to disclose such information without proper authorization.

## Integrity in Business Practice

## Integrity

Our employees are expected to act honestly and with due integrity at all times. They should act rightly equitably when dealing with the stakeholders the consumers and public as well as and other employees of the Company.





# POLICIES OF THE COMPANY

This Company is aimed to provide products and services of high quality within the affordable range of our clientele.

## Quality Policy

**Our quality policy is to -**

- ▶ Achieve excellence by understanding and providing products as per customers' expectations.
- ▶ Follow consistent quality in our production and supply of products to meet all regulatory requirements of our businesses.
- ▶ Consider and follow due procedures to ensure compliance with all quality standards.
- ▶ Develop all our human resources as asset of the Company through training and skill development.

The is committed to run its operations by following environment friendly, ensuring continual improvement in the utilization of resources and prevention of pollution or degradation of the environment.

## Environmental Policy

**In pursuit of this, the Company follows the policy to -**

- ▶ Comply with all environmental related legislations and regulations of this country.
- ▶ Conserve mother nature by adopting environmentally safe production processes.
- ▶ Ensure appropriate treatment of all effluents prior to discharge.
- ▶ Create and maintain awareness on environmental issues within the Company.
- ▶ Ensure waste management system runs through continuous upgradation process.

The occupational health and safety for all related persons as well as employed by the BPML is of the utmost importance. As per the provision of the common law, various codes and regulations of all employed persons. The BPML has introduced a full code of conduct for its employees since long.

## Occupational Health and Safety Policy

**BPML has developed comprehensive policies and procedures in relation to occupation health, safety, and welfare policies. The company -**

- ▶ Ensures, as far as reasonably practicable, the health, safety, and welfare of its employees and associated persons;
- ▶ Ensures, as far as reasonably practicable, that people who aren't our employees (i.e. visitors, participants) are not exposed to health or safety risks.





## Specific duties require that BPML:

- ▶ Identify and reduce risks in the workplace;
- ▶ Provide and maintain safe systems at work place;
- ▶ Provide and maintain equipment and substances in a safe condition;
- ▶ Provide facilities in a safe and healthy condition for the welfare of employees;
- ▶ Provide adequate information, instruction, training and supervision;
- ▶ Maintain our environment and facilities in a safe condition;
- ▶ Maintain accurate and up-to-date records about the health of employees and volunteers including information about accidents and incidents;
- ▶ Develop and implement policies and procedures about working in the human resources safely;
- ▶ Consult with employees about safety issues;
- ▶ Provide and share adequate information with the employees regarding health & safety issues;

BPML is committed to providing a safe and positive working environment for all its staff and acknowledging that the wellbeing of staff is a prime factor in enabling them to perform their duties to the best of their abilities. In return, The BPML desires that staff accept their responsibilities to work safely.







# CORPORATE DIRECTORY

Name of the Company	: Bashundhara Paper Mills Limited			
Legal Status of the Company	: Public Limited Company (listed)			
Date of Incorporation	: 23 September, 1993			
Financial Year	: 30 June			
Listing at Stock Exchange	: DSE	: June,2018	CSE	: June,2018
Category in Stock Exchange	: DSE	: A		: A
Capital of the Company	: Authorized	: 500 Cr.	Paid-Up	: 173.17 Cr.

	Category	Percentage of Shares
Composition of Ownership As on 30 June 2020	Board of Directors (incl.MD)	67.47%
	Sponsor Shareholders (incl. pre-IPO Sponsors)	17.55%
	Institutions	6.39%
	General Public	8.59%
	<b>Total</b>	<b>100%</b>

	Name	Person in Company
Composition of Board	Mr. Ahmed Akbar Sobhan	Chairman
	Mr. Md. Imrul Hassan	Director
	Mr. Md. Nazmul Alam Bhiyan	Director
	Mr. Khawaja Ahmedur Rahman	Independent Director
	Mr. Safwan Sobhan	Managing Director

	Name	Position in Committee
Audit Committee	Mr. Khawaja Ahmedur Rahman	Chairman
	Mr. Md. Imrul Hassan	Member
	Mr. M. Mazedul Islam	Member Secretary

	Name	Position in Committee
Nomination & Remuneration Committee	Mr. Khawaja Ahmedur Rahman	Chairman
	Mr. Md. Imrul Hassan	Member
	Mr. M. Mazedul Islam	Member Secretary







# TIME LINE OF BPML

**Amalgamation with  
Bashundhara Newsprint & Duplex Limited  
and  
Bashundhara Tissue Ltd.**

Amalgamated with its sister concerns-Bashundhara Newsprint & Duplex Ltd. and Bashundhara Tissue Ltd. to increase the production efficiency which is one of our most successful strategic business unit by now.

2009

2010

**Inception of exporting**  
The endeavor to expand its market beyond the domestic border.

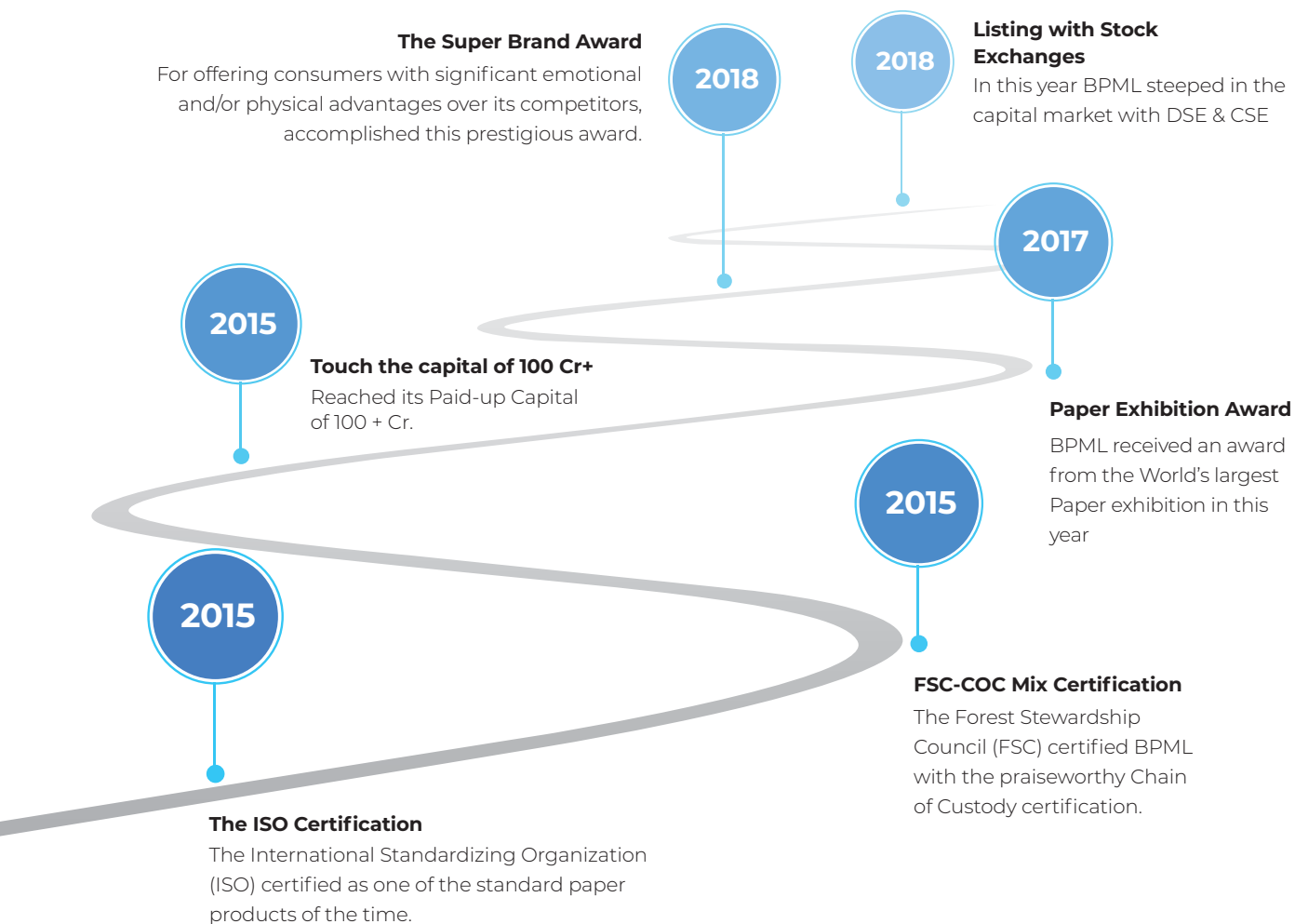
1997

**The commercial production**  
Started its commercial production in order to meet growing need for paper and paper products.

1993

**Year of Incorporation**  
BPML was incorporated in this year aiming to fulfill the primary paper demand in the country.





# Bashundhara FACE MASK

SURGICAL DISPOSABLE



Anti dust



Adjustable nose  
bridge



Three layer design



Fine materials



Careline  
16339







# LEADERSHIP



# CHAIRMAN'S MESSAGE



*“Good governance is not just a choice for us but one of the building blocks of our sophisticated management culture. It is one of our fundamentals to comply with regulatory obligations with the highest level of integrity and transparency”*





## Dear Shareholders,

It is an immense pleasure for me to welcome you in our annual report for the year ended June, 2020 and I am proud of your association with us.

Bashundhara Paper Mills Limited, at its heart, is dedicated to uphold the highest standard of corporate governance and conduct business practices that agree with company's framework of ethics and values.

It's visionary board members and proactive management have effectively sought for rigorous accomplishment of policies and practices which represents a culture of integrity and compliance that meets highest level of accountability and disclosure. A clearly defined vision and policy statement have enabled us to act in favor of the interest of the stakeholders and maintain highest level of governance. I wish to reiterate that good governance is not just a choice for us but one of our building blocks of a sophisticated management culture.

Our management pays the highest attention and due diligence in regulatory and legal stances. It is one of our fundamentals to comply with regulatory obligations with integrity and transparency. At the same time, we are paying our highest attention to develop the quality of products with an affordable price for all segments of our customers. We take the responsibility to engage ourselves to ensure the strategic planning in alignment with the customer's needs and demand in competitive market so that we can ensure the return on investment to our shareholders and achieve the ultimate organizational goal.

I would like to convey my gratitude towards our board members for their continuous support, guidance and insights over the years. I would also like to special thanks to the regulatory agencies for their dependable support and cooperation. I also acknowledge the enthusiasm, loyalty and energy of our employees and proud of the way they uphold our commitments, high standards of ethics and integrity. Finally, a special thanks to our shareholders, consumers, distributors and business partners for placing their faith and trust on us.

A robust stakeholder's engagement is a competitive advantage to our growth. So, on behalf of the board, I would like to thank all our stakeholders for their relentless support rendered to this company. We believe, together we will be a contributory partner to build vibrant developed Bangladesh.

May Allah bless us all.

Sd/-

**Ahmed Akbar Sobhan**

Chairman



# MANAGING DIRECTORS' **REVIEW**



*“We strive to attain competitive edge and maintain positive growth trajectory with our resilient human capital and the trust of the investors.”*





## Dear Shareholders,

Inspired by its group moto "For the People for the Country" the Bashundhara Paper Mills Limited has stepped in year three in the capital market of Bangladesh. The company takes the pride of 27 years' glorious track-record. In the meantime, BPML has achieved immense appreciation as a compliant company from its stakeholders and regulatory agencies.

During the year under review, the production capacity was increased than previous year, and now we are working tirelessly to ensure the quality of products and in addition some new products are under process to be launched at market considering the demand. The company has contributed an industry highest of around BDT 72.15 Cr. to the national exchequer in this year.

Financial year 2019-2020, by far, has been the hardest year for doing business locally and globally. Disruptions in global economy induced by COVID-19 have affected almost all business more or less. Yet, it is a matter of satisfaction that BPML has successfully maintained price competitiveness even in the face of price hike of raw materials due to the disruptions in global supply chain.

Educational institute closure, fall in demand of paper and paper product in the pick season have caused fall in our turnover this year. But we have been able to control the declining rate of net profit after tax which was no more than 1% even in this global crisis. We have ensured the uninterrupted production and timely delivery. On the other hand, our export has increased around 70% comparing previous year even in this tumultuous period which was possible for tremendous efforts and support of our resilient workforces and strategic decision of the board.

I would like to report, in this year, when cut-off of the employee has become a common practice worldwide, our company has had its humanitarian and professional stance and did not furlough a single employee. During the period under review the BPML has complied all the regulatory compliance including the financial reporting in every level to ensure the good governance.

This unusual year was a year of learning for all of us. Considering the increase use of hygiene products, the company is planning to invest more in the research and development to introduce new product to meet the market demand. Keeping all these in mind, I wish to reiterate that we strive to attain competitive edge and maintain positive growth trajectory with our resilient human capital and the trust of the investors.

We all in this company express our heartfelt gratitude to all the shareholders, stakeholders and consumers for their cordial support, co-operation and patronage without which this company could not take a stand and come up to this position. And we also look forward to getting extended cooperation in days to come.

Lastly, I would like to express my special note of gratitude to the board of directors of this company for their excellent guidance, and all our business partners, associates, well-wishers and above all my colleague team members for their untiring efforts, support and cooperation.

Thanking you all.

Sd/-

**Safwan Sobhan**

Managing Director





**Bashundhara**  
*Exercise Book*  
*Write Your Future*

# ***Dream Big & Study Passionately***



**Exact Number of Pages**

**High Quality Paper**

**Various Attractive Designs**



**Bashundhara Paper Mills Ltd.**

**f/ BashundharaExerciseBook**  
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**Careline**  
**16339**





# BOARD OF DIRECTORS

## CHAIRMAN

● **Mr. Ahmed Akbar Sobhan**

## DIRECTORS

**Md. Imrul Hassan**

● **Mr. Md. Nazmul Alam Bhuiyan**

Nominated by:  
East West Property Development  
(Pvt.) Ltd.

## INDEPENDENT DIRECTOR

● **Mr. Khawaja Ahmedur Rahman**

## MANAGING DIRECTOR

● **Mr. Safwan Sobhan**

## COMPANY SECRETARY (IN CHARGE)

● **M. Mazedul Islam**





# AHMED AKBAR SOBHAN

## Chairman

Mr. Ahmed Akbar Sobhan is one of the Sponsor Directors and Chairman of this Company. He graduated in Business Studies from the University of Dhaka. He founded Bashundhara Group back in the 80s, which is now a leading industrial group of Bangladesh. Bashundhara Group (BG) now consisting of more than seven dozens of companies comprising of moderate to heavy industrial and business units. His leadership, commitment and vision placed this group in a formidable position and now BG emerged as one of the biggest industrial and commercial conglomerates in Bangladesh.

He is the Director of East West Property Development (Pvt.) Ltd., Bashundhara LP Gas Ltd., Bashundhara Industrial Complex Ltd., Bashundhara Food & Beverage Industries Ltd., East West Media Group Ltd., Bashundhara Multi Paper Industries Ltd., Bashundhara Infrastructure Development Ltd., East West Special Economic Zone Ltd., Bashundhara International Trade Center Limited, Bashundhara Cement Industries Ltd., Bashundhara Agricultural Products Ltd., Dhaka Multi Agricultural Complex Ltd., and many other companies of the group.

Mr. Sobhan was the President of the Board of many financial institutions, trade organizations and trade bodies including Bangladesh Paper Mills Association, Bangladesh Land Developers Association, Bangladesh Cement Manufacturers Association etc. He was member of general body of FBCCI, DCCI, and ICC and he also performed the responsibility as the honorary Consul General of Ukraine in Bangladesh for a long.

Mr. Sobhan received many accolades at home and abroad, in recognition of his excellent business leadership, performance and remarkable contributions in the socio-economic fields, international understanding, conflict resolution and bringing peace, including President's Gold Medal in 1994, Kazi Nazrul Islam National Award in 1992, Moulana Bhasani National Award in 1993, Arthakantha Business Award in 2001, USA Summit International Award in 2002 and Janata Bank Prime Customer Award in 2002 and Agrani Bank Best Client Award in 2010. He was a sports man and now a sponsor of sports in the country. He is the owner of Bashundhara Kings, a leading Sports Club of Bangladesh.

He is the Chairman of Board of Trustees of Bashundhara Foundation and the Chief Patron of Afroza Begum Welfare Foundation. These Foundations have been working tirelessly for the betterment of the poor and unprivileged people of this country by providing various supports including the interest free loan and running of technical School etc. He is the core steward of the Bashundhara Group's promise of **"For the People for the Country"**.



## MD. IMRUL HASSAN

### Director

Mr. Imrul Hassan is a director of Bashundhara Paper Mills Limited. He was born in Comilla on July 22, 1968 in a recognized muslim family. He completed his Post Graduation from University of Dhaka. Mr. Hassan visited different countries around the world as such India, Singapore, Thailand, Qatar, KSA. A successful business personality and holding a fabulous track of experience, he is also a sports loving personality. Presently he has been holding the position of President, Bashundhara Kings- the runner-up team Club football Tournament of Bangladesh. He is very known person for his moral social work and activity. Mr. Hassan is keenly interested in development of sports and socio-cultural activities and a successful businessman indeed.

He is the member of the Audit Committee of the Bashundhara Paper Mills Ltd. Mr. Hassan is also a trusty of the Bashundhara Foundation.

## MD. NAZMUL ALAM BHUIYAN

### Director-

Nominated by -East West Property Development (Pvt.) Ltd.

East West Property Development (Pvt.) Ltd. (EWPD) is the flagship company of Bashundhara Group, which was founded back in 1987 to address the ever increasing housing demand of the citizens in Dhaka. EWPD has successfully developed several integrated residential projects adjacent to the capital city and also taking up more and more projects in the vicinity of the capital. Since the very first day of its inception, EWPD has been doing business with the reputation and has earned a great deal of trust of people.

The first and prime projects which is popularly known as "Bashundhara" near the Baridhara Diplomatic Zone, Dhaka has been developed on several hundred acres of land while the second project named "Savar Housing Project" has been developed at Savar. The Third project named "River View" has been developed on three thousand acres of land at Hasnabad, Keranigonj near the capital to provide well planned housing facilities for people of old Dhaka. The fourth project named "Mouchak Housing Project" which is located at Gazipur nearer to Scout Jamburee and the fifth Project named "River View Dokhina Project" which is located at Dakhin Keranigonj nearer to River View Project and 4 km away from Dhaka Maowa highway. Some lucrative land projects are under way under same umbrella of East West Property Development (Pvt.) Ltd.

EWPD has also been constructing apartments at different blocks of Baridhara and River View Projects for contributing to mitigate the burgeoning housing need of city dwellers.

EWPD currently holding 101,050,575nos. of ordinary shares which is the 58.14% of the shares of the Bashundhara Paper Mills Ltd. The EWPD has nominated one of its experienced Executive Director- Mr. Md. Nazmul Alam Bhuiyan, to act as the Director in the board of Bashundhara Paper Mills Ltd. to protect its investment in Bashundhara Paper Mills Ltd. since 2015.

The nominated Director of this Company- Mr. Bhuiyan was born in Brammonbaria on December 25, 1971 in a recognized muslim family. He is business graduation from University of Dhaka and visited various countries including India, China, Hong Kong, Singapore, Thailand, Nepal, Malaysia, Macao, Egypt, UAE, USA, Switzerland, France, Australia, Turkey, Qatar, South Korea. A successful personality and holding a fabulous track of experience to compete the global race. He is very known person for his social work and activities.





## KHAWAJA AHMEDUR RAHMAN

### Independent Director

Mr. Khawaja Ahmedur Rahman (68) completed his Graduation in 1969 and started his career as a government officer. After his retirement from the civil service, he started his business career by setting up various business ventures in audio video & electronics sector in this country. He has been associated with many companies as sponsor directors including Rose Valley Audio Video Ltd., Rumki Electronics Industries Ltd., Matsha & Krishi Khamar, Singha Bangladesh Ltd. and Link-up International Ltd., etc. He has a vast knowledge of finance, business, corporate management, industrial, trade and labour laws. He is the Managing Director of Link-up International Ltd. He is associated with many socio-cultural and philanthropic organizations.

He has been in the Board of this Company since 2015 as an Independent Director and is the current Chairman, Audit Committee of this Company. He is also the Chairman of the Remuneration and Nomination Committee of the Board of Directors of this company.

## SAFWAN SOBHAN

### Managing Director

The Managing Director of the Bashundhara Paper Mills Ltd.- Mr. Safwan Sobhan is a dynamic and enterprising young entrepreneur. He had his schooling in Oxfordshire in the UK and had his bachelor's degree in business administration. He established various corporate houses at home and abroad and earned laurels for his leadership qualities. He is also Director of Bashundhara LP Gas Ltd., City Multi Agricultural Company Ltd., Bashundhara Horticulture Ltd., Bashundhara Infrastructure Development Company Ltd., Bashundhara Logistics Ltd., Bashundhara Airways Ltd., Bashundhara Amusement Park Ltd., Bashundhara Multi Paper Industries Ltd., Bashundhara Agricultural Products Ltd., Toggi Shipping & Logistics Ltd. Bashundhara Electricity Ltd., Bashundhara Industrial Economic Zone Ltd. Bashundhara Multi Chemical Industries Ltd. Bashundhara Pharma API Ltd. , and many other companies of Bashundhara Group. He is also a Trustee of Bashundhara Foundation.

Mr. Safwan is a keen sportsman and a sports loving personality. He Has been involved in various activities to promote sports activities in this country and abroad. He is now the Managing Director of Toggi Sports Ltd. and the Chairman of the Rangpur Riders, the Champion Cricket Team in the prestigious Bangladesh Premier League (BPL) - 2017. He is the present President of Lt. Sheikh Jamal Dhanmondi Club Ltd. He is also one of the valued patron of the Army Golf Club, Dhaka and a Member of the Dhaka Club Ltd. He is selected as the CIP of Bangladesh for his business activities and contribution to national exchequer.

He was appointed in the Board as the Managing Director in 2015 before that he was a Director of this company. Since his inclusion in the Board, he has been contributing actively in overall planning, strategy formulation, HRM, decision-making process of this company and Bashundhara Group as well. His specialization in the time management, branding of products and promotion, risk & crisis management brought a positive results and wide acclamation.







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INFORMATION  
FOR  
**SHAREHOLDERS**





# DIRECTORS' REPORT TO SHAREHOLDERS

## Dear Respected Members,

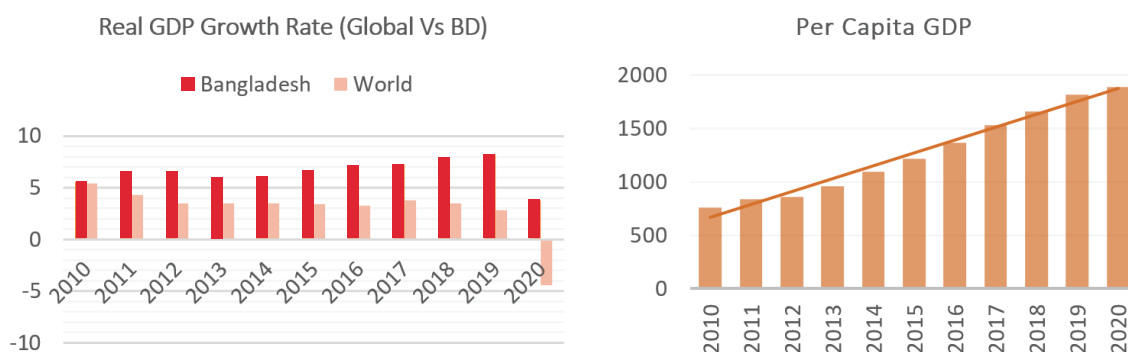
By the grace of Almighty Allaha, I would like to take the pleasure on behalf of the Board of Directors of Bashundhara Paper Mills Limited to welcome you all in the 27th Annual General Meeting of the company through the Digital Platform. It is a privilege of us to present the 27th Annual Report of the company along with the Audited Financial Statements for the Financial Year 2019-2020, notes to the accounts as well as the Statutory Auditors' Report thereon, the Audit Committee's Report, Corporate Governance Statement, Compliance Report, and Nomination and Remuneration Committee's Report to you for your kind consideration, approval and adoption.

## Outlook of Global Economy

The world economy is observing a challenging time than ever before. According to a projection of World Bank dated June 2020, the global economic output is to contract by 5.2% by the end of 2020. In their global economic prospects report, it has been noticed that the advanced economies are expected to shrink by 7% in the current calendar year, while emerging market economies will contract by 2.5%. The COVID-19 pandemic is perpetrating high and rising human costs worldwide. The health crisis is having a severe impact on the economic activity and resulting the global economy to contract sharply by 3% in 2020 reports IMF. Global growth barely would begin to recover at around 1.3% next year as projected by the World Bank.

## Outlook of Bangladesh Economy

Bangladesh is now one of the emerging economies of the world. The growth of this economy has a positive trend by a digit. The last couple of years the growth rate was rooting around 6%-7.30%. This economy is 29th largest considering the its purchasing ability. According to an economic outlook published recently by IMF the economy of Bangladesh is going to grow by a positive 3.8% even in the face of COVID-19 during the year. It is the highest among all other South Asian countries. While the most part of the world is experiencing a contraction in their economic growth, Bangladesh has kept up the positive trend of growth and handling the impact of the virus on economy better than others. It is due to the uninterrupted flow of remittance which helped the foreign reserve to reach a record high of around \$40 billion as of October, 2020 coupled with its agricultural production, which helped the economy rebound quickly from this pandemic period. In terms of Per Capita GDP, Bangladesh is now even ahead in the sub-continent with an amount of \$1887.



(Source: World Economic Outlook, October, 2020, International Monetary Fund)





Policy reforms, better governance, motivated human resource along with stable inflation condition and macro-economic environment helped Bangladesh to become a role model of sustainable development for the least developed countries. Bangladesh is now placed in the middle-income transitions and continuing its focus on easing infrastructure bottlenecks, improving of livelihood, set up manufacturing units, reduce the import, increase the export and containing of cost of doing business skills and resilient private sector have contributed to this positive growth trajectory. Bangladesh is expected to graduate from least developed countries (LDC) list by 2024 and is now a role model for developing and least developed economies.

### Outlook of Global Paper Industry

As an important material the paper and the allied products taken a significant position worldwide. The growth of last few decades was noticeable. It was due to increases in population, literacy rates, and quality. Due to its daily usages, the global production of paper and cardboard stood at approximately 419.7 million MT in 2017 and expected to be 490 million MT by this

year of 2020. More than half of that production was attributable to packaging paper, while almost one third was attributable to graphic paper. The world's three largest paper producing countries are China, the United States, and Japan.

Around 423.3 million MT of paper consumed globally in recent years, the world's paper consumption is roughly equal to the amount of paper produced annually. China is the world's largest paper and paperboard consumer in the world, using more than 113 million MT annually, followed by the US with a consumption rate of nearly 71 million MT. The world's highest per capita consumption of paper of any region, consuming 213 kilograms which is given context when compared to the world average per capita consumption of paper of just 57 kilograms per year. Since paper can be classified as a renewable resource, recovery is crucial within the paper industry. Paper, among many materials, has one of the highest recycling rates. In the United States, nearly 53 million short tons of paper and paperboard were recovered in 2018, which is double in the percentage comparing with 1990. The Environmental Paper Network is a global coalition of civil society organizations working together to achieve our Global Paper Vision. The overall global paper industry is fragmented in consequence of rapid urbanization, improvements in lifestyle of consumers, rise in disposable income and literacy rate. Some special factors - demographic condition, economic condition and environmental regulations have a significant impact on the global paper industry dynamics. The increase in the literacy rate, recycling, population, and economic growth are anticipated as the significant factors to boost the global paper industry. Through innovation and energy diversification the paper industry in the developed countries has been turning away from natural forest resources as its raw materials. The industry witnessed many up and downs over the last few decades due to remarkable changing pattern in publications.

Although a number of countries with adoption of advanced technologies reduced paper consumption, it is expected that the market for paper and paper board will continue to grow gradually. However, the global paper industry has also been facing certain challenges posed by increased trend of automations, enhanced environmental regulations in the developed and developing countries, volatility in raw materials availability and prices, energy inputs and increasing trend of trend of transportation cost etc.

### Outlook of Paper & Tissue Industry in Bangladesh

#### Papers and allied products -

The paper and pulp industry is one of the largest industries in the world. The industry dominated by North American, Northern European and East Asian companies. Latin America and Australasia also have significant pulp and paper industries. Over the next few years, it is expected that both India and China will become key players in the industry. On the other hand, Paper industry in Bangladesh has been on a positive growth trajectory as the demand for paper rising on both the local and international markets. Only a few years back, imported paper met a large portion of domestic demand, but now the market share and the capacity of local manufacturers has grown significantly. Historical data suggests that Bangladesh began its first paper production in the year of 1953 when Karnaphuli Paper Mills was established by government's initiatives. Since then,





private manufacturers have come forward and join the industry. The number of paper mills has now increased to 100 from around 50 five years back, while 15 or 20 more units are under process to go into operation soon. These paper mills produce different grades of paper including writing, printing, liner, media, simplex, duplex, board, newsprint, cigarette paper, packaging products. BPML has continued to hold about 30% market share of the paper and paper products sector. Considering the production and supply of the paper and paper products there is an opportunity for around 1,00,000 MT per year. By the year 2020, private sector paper mills have outperformed government mills who currently have a bare minimum of 3% market share.

### Tissue paper and allied products -

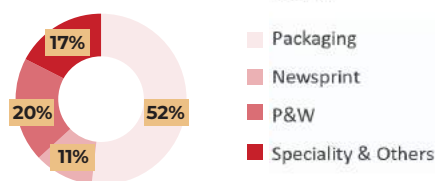
The market size of tissue paper has more than doubled within a decade in Bangladesh courtesy of urbanization, growing per capita income and increasing health consciousness among people. The yearly tissue production capacity of the country was more than 84,000 tons in recent year, up from 30,000 tons in 2016-17. Bangladesh has not only become almost self-reliant in the segment but is also exporting the product to more than 23 countries, including the UK, Australia, Bahrain, the UAE, China, India and Bhutan. The export size around 1,238 tons yearly. Data from 2018 suggests that per capita tissue consumption is

about 4.1 kg per year in Bangladesh. The company being the industry leader, started commercial production of tissue and in the year of 1997. It now has about 80% of market share in terms of tissue paper. As part of tissue paper, the hygiene product's consumption is growing up due to the increased health issues and health awareness.

### Demand and Supply Gap

With the increased use of papers and paper board, literacy rate, change of lifestyles as well as awareness of hygiene products the demand upward trend is expected to reach its all-time high. Per capita income has also increased and so did the expendable income. There is shortage in supply of paper and tissue paper globally besides China, one of the largest paper producers have closed numbers of paper mills of their environment issue. Under these circumstances demand for paper products are expected to increase locally and globally. It is projected that the demand for paper products (mainly writing paper and hygiene products) will reach at about 10 lakh tone annually in the domestic market. Our nationwide awareness development program through discussion, meeting and seminar has well driven people towards increased sense of sanitation. As a result, there will be a surge in demand for our hygiene products. Currently we are operating at 80-85% of our capacity and generating about 1,15,000 ton annually. Previously installed brand-new automated machineries added more than 30,000 tons yearly. Meanwhile our company added many facilities from time to time which we hope will enable us to take the opportunity of supply in upcoming days.

Consumption by Segment (%) yearly



Source: IPMA CARE Rating

This company has continued to export its products, although in a lesser volume, but it is increasing significantly. India, Middle East and Europe is the export market of this company. The company is also searching out the new export market and implementing the plan of further business expansion outside of the country.

### Objective of the Company

The key objective of the company is managing business as to achieve the sustainability and profitability, increase the value of the business for its sponsors and as well as the stakeholders. The Company's aim is to continue as the market leader in this particular sector of this country. The company also emphasizes to develop and maintain the long-term customer relationship by providing diversified products that enhance the customer's prospects of success in their end markets. During its lively





journey more than two decades the company has established itself as a supplier of innovative products by maintaining best quality of its products at an affordable price range. It has also engaged all its efforts to introduce more and more new products and services to cater the requirements of the consumers.

### Business Strategy of the Company

Bashundhara Paper Mills Limited is the pioneer in the paper production industries of the private sector in Bangladesh. The company is a modern paper industry which is divided into several units, sections and process areas. The venture, since its incorporation in the year 1993, has been producing quality papers and paper products having wide market demand and with this it has been contributing to save huge amount of foreign currency by reducing dependence on imported paper products for the country.

### Strategic Goal of the Company

The leader of paper industry- BPML has designed a business model for sustainable growth and continues to develop its presence in the markets, particularly in the paper, tissue and allied products. In its paper and tissue and allied businesses, the company sees a huge opportunity to develop by leveraging the competencies in both mature and emerging markets. Sustainable development is integral to the success of the business and its ability to create value. The Strategic Goal of the Company is:

- ▶ To focus on developing markets that offer us growth opportunities;
- ▶ To invest in the exceptional people and high-quality, low-cost operations;
- ▶ To passion about performance, reliability and sustainability; and
- ▶ To work with the customers, value them and involve efforts to meet their needs.

There's a saying that failing to effective plan is planning to fail. As competition increases and belts tighten in the paper sector this Company in the production and business operation put emphasis on:

- ▶ Growth plans, which may include expanding the business, introducing new products, locations, and market segments;
- ▶ Product diversification;
- ▶ Changes in manufacturing methods;
- ▶ Supply chain revisions;
- ▶ Safety initiatives;
- ▶ Ways to reduce the cost of goods sold including efficiencies in manufacturing and reduction of water and utility consumption;
- ▶ Asset consolidation/optimization;
- ▶ Asset preservation/maintenance plans including capital expenditures for meeting current regulations and maintaining the future of existing assets;
- ▶ Continuous training of the human resources to match with modern technological upgrades.

### Market Segmentation and Customer Segmentation

#### Market Segmentation-

Market segmentation is a process of dividing a heterogeneous market into relatively more homogenous segments based on certain parameters like geographic, demographic, psychographic, and behavioral. It is the activity of dividing a broad consumer or business market, normally consisting of existing and potential customers, into sub-groups of consumers known as segments which based on some type of shared characteristics as well. Considering the nature of business, product and customer the market has some segments.





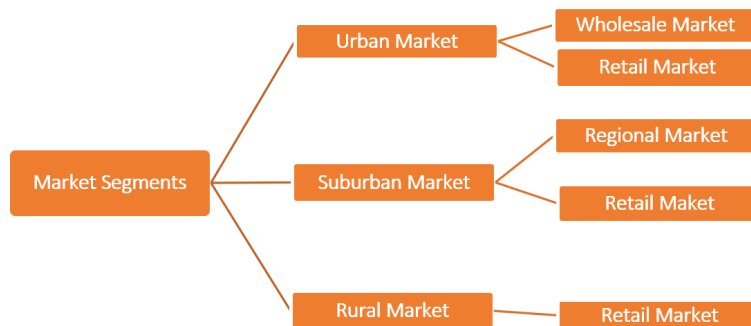


Chart: Market Segmentation chart of BPML

### Consumers Segmentation-

Customer segmentation is the process of dividing customers into groups based on common characteristics so companies can market to each group effectively and appropriately. In business-to-business marketing, a company might segment customers according to a wide range of factors, including- Industry, Products previously purchased from the company, Location. In business-to-consumer marketing, companies often segment customers according to demographics that include: Age, Gender, Location (urban, suburban, rural) income level and the Life style of the consumers.

Considering the diversification of demand for the products of this company like white writing paper, paper boards, art cards, newsprints, toilet paper, facial tissue, kitchen towels, table napkin, and wrapping tissue including all hygiene products the company segmented its customers pool so that It can pay more focus to meet the customers demand. The main segments of the customers of BPML has defined as follows:

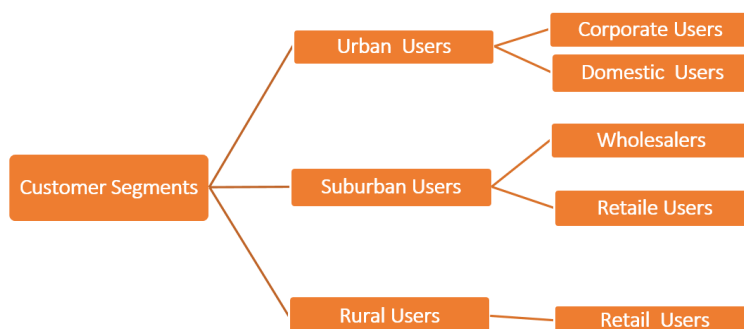


Chart: Customer Segmentation chart of BPML

BPML has set its strategy considering the mentioned segment to build up the customer relationship, effective brand promotion, meet up the customer demand and maximize the sales growth of the company. The segment has kept up growing gradually due to increase of population, development of health and hygiene awareness, changes in life styles and rising of income levels of the country people. During the year the production and demand has also reported the growth rate significantly.

### Market Competition

Being an organization of modern world, most of the businesses and industries have to face competitions - both locally and globally. Our country's paper sector is of no exception. There are more than 100 modern paper mills out of which 41 mills are running and are producing a huge quantity of paper and paper products in our local market. The scenario has been changed





by just for few years. And since the establishment of small numbers of paper mills in the private sector, these industries started to take lead and since then trying to make this country self-sufficient in production of paper and paper products to ensure the domestic demand.

During late 1950s the paper industry of Bangladesh went into operation and more than 100 paper mills were established meanwhile, and 41 local private paper mills were in operation producing more than 600,000 MT of paper and paper products per year. The paper industry has proved as a potential sector in Bangladesh and may become one of the foreign currency earners of this country.

In order to reduce dependency on imported items, the local producers of paper and paper board have to cut down their production to some extent. Most of the local paper mills compelled to produce paper and paper board utilizing only half of their capacities. By introducing modern technology, the paper producers adding values to this sector, and foreign buyers have started coming to import paper products because of the good quality from Bangladesh. Recently, many factories in China and some European countries were set close due to higher production costs and environmental issues, bringing up hopes for Bangladesh. Our country can take advantages by entering into global market with more products.

This company views that if the matters are being reviewed regularly, challenges are faced on time and necessary steps are taken. It has started to switch to new techniques to reduce production costs and produce more export quality paper products maintaining international standards. The company already introduced advanced paper production technology to process wastages of our factory and converting those into by-products and place those in the market commercially.

**Marketing Environment**

Marketing environment keeps focus in concentrating organizations resources so that it can lead to increased sales and supremacy on a targeted market. The organizations marketing goals has to be identified and methods developed to achieve the target within a time frame. Products like papers and allied product including hygiene products require a branding and promotion to achieve trust of customers with an affordable price.

To succeed in branding, it is necessary to have a clear understanding of the requirements of the targeted clients. Incorporating effective brand strategies so as to influence the hearts of customers is essential. Due to the highly competitive market a strong brand name is important. It is necessary to spend time investing in researching, defining, and building brand name. Paper consumers of our country can be segmented by location, purchasing approaches, behaviors, seasonal variation, volume and frequency, personal characteristics, brand preferences etc. Paper customer's characteristics could also be segmented into price sensitive customers, quality conscious customers and quality and price tolerance customers.

BPML has operated its market promotional programs through campaigns aimed for the consumers, users and sellers of various levels and continuous innovative activities. The promotional activities of this company are carried out through wide range of promotional activities for the target customers and it has been carried out by a team of creative and energetic personnel who launch frequent programs including advertising, personal selling, sales promotion, direct marketing, training and knowledge sharing, public relations, etc.

**Raw Materials Supply & Production**

The major raw materials that we use are hard wood pulp, soft wood pulp, hard and soft wood kraft pulp, waste papers and various agricultural residue. Singapore, India, Indonesia, Canada, Sweden, Oman, Malaysia, China, South Korea, Brazil, Finland, USA and Philippines are leading in the market for raw materials suppliers in the paper industry.

The paper consumption during the last 20th century and current 21st century have been increased to many folds which is faster than the global population growth during same period. But the resources of nature are not the same in growth rate. Since in our country there is a lack of natural forest resources required for paper production, we, as a paper producing country, are heavily dependent on import of raw materials. For which we are facing a challenge in this industry.

Increased price of raw materials hinders in our way to grab a bigger market share. It is to state that per metric ton price of softwood pulp is around \$1,000 which is the double comparing last few years. Thus, it is hard for the local manufacturer to





adjust with this increased cost of raw materials which hits the price of finished goods negatively. Then comes other considering factors i.e. the necessary resources like power and water. As we run with modern machineries, an uninterrupted power supply is must in order to keep flow of production. Transportation cost ranging from import of raw materials to exporting at various destinations, plays a vital role in this industry's performance.

At Bashundhara Paper Mills, we use cargo-vessel, chemical tankers, pick-ups, covered van for delivery of raw materials to the factory. With a smooth global supply chain, stability in raw materials' price and skilled manpower, we hope we will have a more competitive position in the domestic and global market for paper.

During under review the company has had addressed some adversity due to global pandemic, global lock down the transportation of raw materials was sharply affected and in addition of unviability of raw materials and price hike were another factor which has a negative reflection in our supply chain and sales revenue as well.

### Production - Supply management

The production supply management refers to the act of identifying, acquiring, and managing resources and suppliers that are essential to the operations of a company. This management of BPML concerned about the process of procurement supply management includes the purchase of physical goods, information, services, and any other necessary resources that enable a company to continue operating and growing.

The manufacturing process of paper and paper products is a cross-functional approach includes managing of the movement of raw materials, processing of materials into finished goods, and the movement of finished goods towards the end users effectively, timely and efficiently. Because the supply management is an integral part of most businesses and essential to the company success and customer satisfaction. Considering the nature of the business the management of BPML has emphasized the following issues in these segments which includes--

- ▶ Identifying, sourcing, negotiating, and procuring a service or good that is essential to a company's ongoing operations according to the wishes of the organization's leaders and supervisors;
- ▶ Formulating a strategy for developing and maintaining relationships with suppliers—and then executing on it as well as holding suppliers accountable;
- ▶ Utilizing technology and procedures that facilitate the procurement process;
- ▶ Considering the theories of supply and demand and what influence they have on supply management.

### Seasonality

Every product has a seasonality considering the products supply, demand, utility, necessity and purchasing ability of the customers. It is observed that the volume of consumption of the products defers from time to time round the year and the products of BPML are no exception considering seasonality. The products of the BPML are segmented in five broad segments:



Chart: Products segments of BPML

For the core product of the BPML i.e. Paper product has the seasonal variation on demand basis in the market our country. In different period of a year demand for paper products, specially the bulk white paper, face sharp variations. The demand reaches to the peak, for bulk white papers, during the period of September to February months. It is the time when text books are printed before the advent of the education year at the national level and distributed among the students. The other one in February when the national book fair of this country takes place where huge crowds, irrespective of their nationalities ages, gender, class and castes, pay visits. It is being regarded as the peak time for the printing and publication houses of this country as well. After this pick hour from the March to June period the demand for bulk white paper reduces to the very low position. This period is considered as the off season for the bulk papers. And during July-August period the demand for the bulk papers reaches to its lowest level as it's the dull season.





## Seasonal Product consumption table of BPML-

SI No.	Segments of Products	Quarterly Consumption			
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
1.	Paper Products	Low	High	High	Average/Low
2.	Tissue Products	Good	High	High	Average/Low
3.	Health & Hygiene Products	Average/Low	Good/High	High/Average	Average
4.	Sacks Bags	Average	Average	Average	Average
5.	Insecticides (mosquito coils)	Average	Average	Average	Average

The seasonal variations in tissue paper products segment relatively lower than other paper products. The consumer behaviors are the prime considering factor here. The dull season in the tissue paper products segment being observed during Ramadan, when the majority of the people of this country use to perform fasting. After the Ramadan rituals are over then and during the festivals the demand for tissue paper products take its position in the market. The Rainy season of this country being considered as the off season for tissue paper products segment. The demand for tissue paper products remains almost static during the remaining part of a year.

Health & Hygiene Products segment also faces the seasonal challenges. It is observed that the demand for hygiene products touch its peak during winter season in this country. After the recession of winter, the demand for health and hygiene products experiences the decreasing trend. By the month of March, it reduces to the lower level. It is the period which has been considered as the off season for health and hygiene products segment of paper sector of our country. Consumer behaviors is also the prime considering factor here. Although the health and hygiene products segment have the utility round the year even then the remaining part of a year is considered its dull season.

The other product segment Sacks bags are consumed by the industrial customers, so the segment has no specific pick and dull season.

Insecticides (mosquito coils) segment is the last and new segment than others segment which is a by-product of the company and has average consumption record by the customer round the year.

Considering the seasonality adversity, consumer behaviors and other significant observations the management of this company has taken some strategic plan and researching to introduce the season-oriented products for its consumers and to ensure the positive trend in the revenue in each quarter of the year.

## Transportation

With the encasement of the production capacity and to ensure availability the product from door to door of its consumer, the company emphasis to improve its transportation activities. For the nature of the business the transporting has a significant effect in the operational activities. Not only the product distribution channel but also the raw material in bulk amount. The industry depends on the imported raw material. The most of the import of raw materials is made through waterways as the paper producers have to import raw materials in bulk quantity by ships. In view of this the cost of transportation is considered as very vital in paper sector.

BPML pays special attention on cost effective raw materials sourcing and paper and paper products distribution channels because this cost has direct intervention on the product pricing.

The company has been successful to set up a strong distribution channels and supply network for its own. For raw materials and finished products carrying work and supplying ships and cargo-vessels are used, most of them owned by this company. This company for its delivery of raw materials to the factory and supply of finished products - paper and paper products from





the factory all over in the country uses cargo-vessel, chemical tankers, pick-ups, refrigerated vans, trucks, covered vans of different capacities.

The FY 2019-2020 has a significant effect in the transportation costs in both the road and waterways for which this company incurred additional costs for transportation of both raw materials and finished paper and paper products. Having all mentioned factors, the fuel costs, water transportation costs and maintenance of the vehicles were increased significantly and inflation of the country also raised and delays in unloading of raw materials in the ports and the global pandemic crisis also had negative effects on the cost of transportation of this company.

### Environment Protection

Environmental protection refers to any measure that is taken to conserve, maintain or preserve the state of the environment. Pollution of the environment going to be a global crisis in near future. To protect the environment is a moral obligation for future generation and mankind as well. Due to continuous uses of plastic, chemicals, conversion of natural resource discharging the carbon and increasing the global warmness has been destroying the ecosystem of the world. The global community in this regard is also highly concerned and taken several measures to protect the environment. The management of BPML is very much concerned about the protection of the environment and conservation as well.

The BPML has designed its production process and adopt modern policies to ensure a sustainable environment and the policies refers as follows:

- ▶ Ensure sustainable and equitable use of resources without degrading the environment;
- ▶ Consider health or safety risks in production and business operation and ensure adequate measures to those risks;
- ▶ Prevent and control degradation of land, water, vegetation and air in its operational areas;
- ▶ Improve condition and productivity of in the factory and office premises;
- ▶ Set up the water-treatment plant using by modern technology;
- ▶ Using less chemicals and recycles the production wastage to create the by-products;
- ▶ Raise awareness for tree plantation and understanding of the link between environment and development.

### Risk Factors and Management Perceptions

Risk is ubiquitous in all areas of business and the risk management is considered must to do, in the managing of the company. Although this sector has large span of potentiality but has some risk factors involved with the industries. In every business there are uncertainties where some of the possibilities involve price fluctuations, currency fluctuations, inflation, economic recession, loss, catastrophe, other undesirable outcome, absence of complete certainty, existence of more than one possibility. In spite of a noticeable supply & demand opportunity in paper and allied products although there has also some risk factors-



Chart: Core risk factors of BPML

Management of BPML has addressed the issue of interest and exchange rate risk and has taken active measure to keep the gap between interest sensitive assets and interest sensitive liabilities at a minimum to ensure that changes in interest rates. To manage liquidity (cash and cash equivalents) to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses and the company prepare its cash flow forecast on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

To minimise industry risk diversity of products, introduce new product and quality are the prime tools of BPML. The company always emphasize on the market needs and demand for its customer. BY prescribed guidelines and terms and conditions to its Dealers and Distributors which minimize distribution risk.





To ensure proper supply of imported raw materials for large volume of production facilities the Company has to keep huge inventory putting pressure on liquidity position to minimize the raw material management risk The Management of the Company has regularly upgraded its technology and factory set up during the last five years conducted to smooth operation of the factory.

However, this Company has put its special emphasis on the risk management matters. The system has been designed to face the challenges of the risk factors involved in this sector. The company has designed its operational plan covering the risk management by identifying and characterizing the areas of risks and threats at the very early stages and to set business strategies, take adequate and measures on proper time either to remove, or limit those as far as possible.

Production and Sales

The paper industry is the competitive market then others in this country, the numbers of modern manufacturing units are available in the market with their quality product. Moreover, imported products price and our domestic produced product has long span of difference. Considering the demand and supply as well as the price of product has an impact on the final consumer of this product. At present, the paper industry of this country is no longer limited to production of writing and printing papers. On production and supply of paper and paper products. There are several factors that have impact like - rate of inflation, fiscal policies and financing opportunities etc. which affect the buying power of the customers and thus result in change of supply situation of paper and paper products. This company has carefully designed its production and business strategy with the option of midterm evaluations on regular basis.

BPML has arranged series of competitions, seminars, idea sharing meetings, conferences, and assemblies of the dealers, students, teachers, professionals and the consumers round the year. To ensure the availability of products, the company create multi option of distribution channels to increase sales revenue.

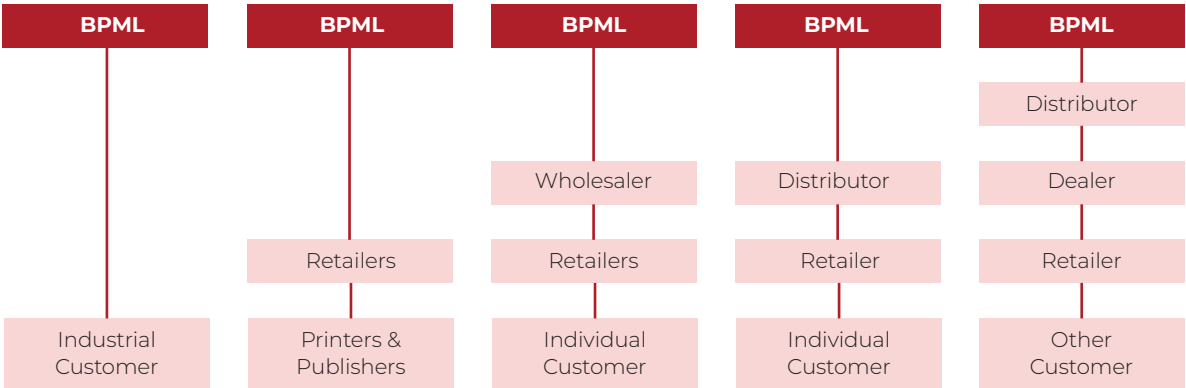
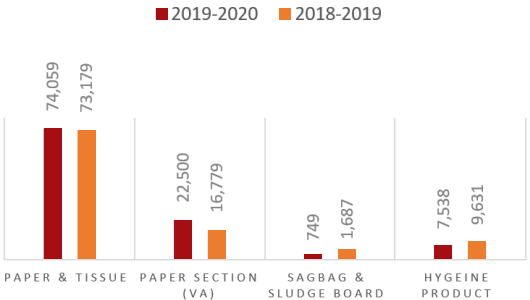


Chart: Distribution chart of BPML

In spite of challenge of Covid-19, the product line of this company was on full swing except the lock-down period and able to produce 97,308 MT finished goods of papers, sack, sludge, board & tissue papers and in the health and hygiene segment the production was around 6,837 MT during the period under review which was the 61% of production capacity.

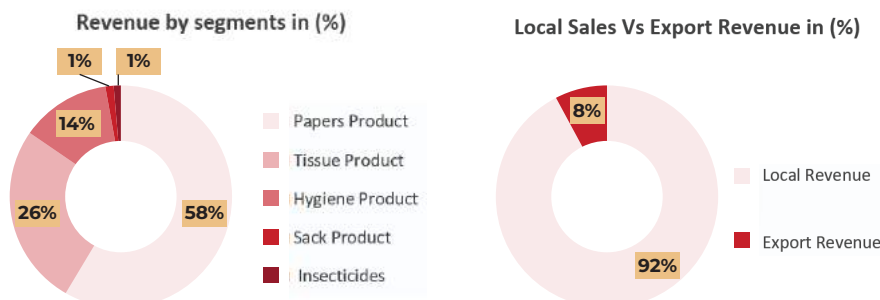
PRODUCTION CAPACITY BY PRODUCTS IN MT







During the year under review the scope had contracted due to global pandemic of Covid-19 in pick season of sales. In comparison to the previous year, during the year under review the production of the paper and papers products decreased due to effect of global pandemic of Covid-19. So, the sales revenue also has influenced by this crisis.



In FY 2019-2020, the company was able to earn the net revenue by sale of paper and paper products amounting to BDT 854.44 Cr. which was BDT 1,103.91 Cr. in the FY 2018-2019 which was a sharp fall by 22.59% from previous year. But changing the strategy the company was able to control the cost of production and over had cost significantly.

We also have engaged our expert team to monitor the emergence of new competitions and risk issues. Although the global crisis the export of this company increased by 70% than previous year and the export was 8% considering domestic and foreign revenue.

### Performance of the Company

Motivated by its mission and value statements the company has been paying its highest concentration to moving forward and achieving its ultimate goal – Maximize the Profit and Wealth creation. In this pursuit, the company regularly reviews its periodic business performances, market positioning, customer base, and adjust its marketing strategy at various stages and even revised the annual business plan.

The Covid-19 pandemic has thus far spread to 208 countries and regions of the world, significantly affecting the global economy. This pandemic has caused disruptions to global trade, business, and education. Bangladesh is equally affected by this contagion. The economic consequences of the pandemic outbreak are tough to handle as the entire of the global supply chain has been interrupted due to worldwide long-time lockdown, and transportation shutdown as well. During the year under reviewed the company has been facing this challenge with previous all.

Due to these factors during the year, financial performance of this company has decreased by all indicators during the year. A comparative change with the previous year in the financial performance appended as follows –

Sl No.	Particulars	2019-2020		2018-2019	
		BDT in Cr.	% Change	BDT in Cr.	% Change
1.	Net Revenue	854.44	(22.59%)	1,103.91	2.10
2.	Cost of Goods Sold	666.66	(25.50%)	894.03	0.45%
3.	Gross Profit	187.75	(10.53%)	209.87	9.27%
4.	Net Profit after Tax	28.58	(1.03%)	29.18	(57.92%)

Although the production costs had increased to a significant extent due to the pandemic condition, the company had engaged it's all effort to protect the interest of its shareholder. Compromising with many essential overhead expenses the company has been able to limit decreased rate of net profit within 1.03% during the year.

The management of the company has undertaken various strategic drives, engaged untiring efforts, and tried extensively to negotiate the risks and challenges as far as possible. However, by careful handling of all the issues, this company will be able to earn a handsome amount of net profit in the forthcoming years.



## Dividend Policy

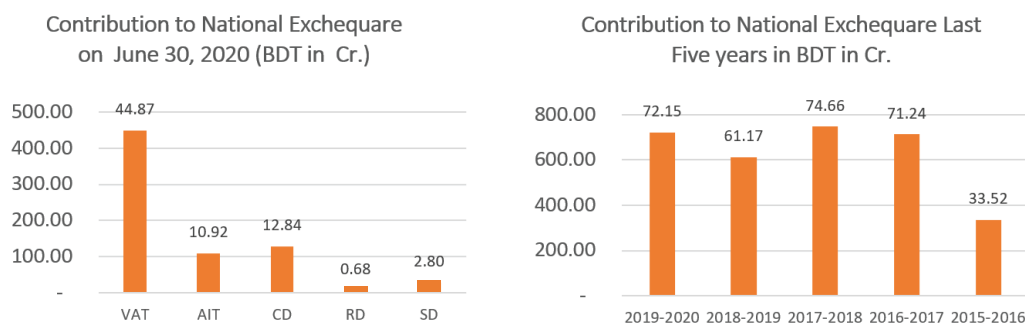
The company always considers the interests of its shareholders before all other issues and it has continued to share its profits and gains among the real owners of the company. The company emphasize maintaining all the provisions, guidelines and standard practices in the industry to declare its dividend.

The Board of Directors of this company has been pleased to recommend for the payment of 10% Cash Dividend for all the ordinary/general shareholders other than the sponsor shareholders/directors/Pre-IPO placement shareholders of this company for the period ended on 30 June 2020.

The members other than the sponsor shareholders/directors/Pre-IPO placement shareholders (as per Note no. 15.02.1 of the Financial Statement FY 2019-2020) whose names appeared in the Members Register of this company on the Record Date on 30/11/2020 will be entitled for the Cash Dividend.

## Contribution to the National Exchequer

The company has been recognized by the National Board of Revenue (NBR) as one of the largest corporate taxpayers in this sector for couple of years. The company has generated direct and indirect employment for a significant number of people over the years. During the year the company had 3,954 nos. permanent full-time employees, in addition to the many people who are directly and indirectly dependent on this company for their livelihoods, working for the distributors, retailers, suppliers, vendors, contractors and other business partners. With the payment of taxes and the investment in the production capacity, BPML is making a significant contribution to the country's growth and development.



In the FY 2019-2020, this company has contributed an amount of BDT 72.15 crore in the form of Income Tax, Customs Duties, Supplementary Duty, Regulatory Duty and VAT. The contribution to the national exchequer was equivalent to 8.44% of the total sales revenue of the company during the period under review. Where in the Financial Year 2018-2019 the contributions of this company to the national exchequer was BDT 61.17 crore which was 5.54% of the total sales of the same period.

## Related Party Transactions

The company in its business efforts and practices put special care to compliances to laws, protection and preservation of interests of the stakeholders by following the code of conduct for ethical behavior, accountability and transparency. The information on the related party transactions has been disclosed in the **note no. 13** of the financial statement hereinafter in this report.

## Shareholders

The Shareholders are the real owners of the company and play vital role in the financing, operations, governance and control aspects of a company. The Shareholders play both direct and indirect roles in a company's operational activities. The first and foremost consideration of the Board of the company was the protection and value addition to the interests of the valued shareholders.

The total numbers of shareholders of this company were **13,315** nos. as on the Record Date of the company on 30/11/2020. The issued, subscribed and paid up share capital of the company is BDT 1,737,914,410/- which has been the accumulated totals by the Sponsors, Directors, Institutional and General Public.





### Minority Shareholders' Interest

The Board of Directors is very much concerned about the interest of the shareholders including the minority shareholders of this Company. The board has dedicated all its efforts to ensure fair and equal treatment to every shareholder including the minority shareholders. In order to protect the interest of minority shareholders, the company undertook various measures to establish accountability and transparency and also established a practice to serve small investors and minority shareholders promptly. The company communicated all its strategic information as required in its operation under the regulatory directives without any delay and tried to serve the minority shareholders as and when they are required so from time to time. With a view to serving the minority shareholders better, the Company disseminates all strategic decision through most popular and well-accessed channels/options to make them aware of the developments as well as activities of this Company.

### Board of Directors

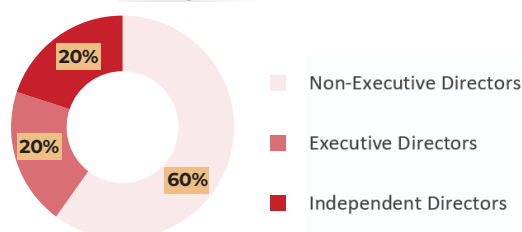
In composition of the board, the company always emphasize on the capability, qualification and efficiency of each director individually since incorporation with the compliance to protect interest of its stakeholders. And take the pleasure to inform you that -

- ▶ The Chairman and the Managing Director of this company are two individual persons. These positions were filled in by individual persons since the incorporation of this company. And the practice was also complied with during the FY 2019-2020. The resume of the Chairman and the Managing Director are appended at the beginning of this annual report.
- ▶ The Board of Directors of this company is fairly independent and they play role, discharge their duties and responsibilities without any interferences. The Terms of References of the Directors clearly defined. During the year under review the members of the Board of Directors of this company had discharged their duties and responsibilities independently and no matter of interference was occurred.
- ▶ Composition and Roles & Responsibilities of the Board:  
The Board of Directors' key of BPML is fairly independent and responsibility is to ensure the company's affairs and operation on right direction by collective decision making and direction, whilst meeting the appropriate interests of its shareholders and stakeholders. In addition to business and financial issues, boards of directors deals with challenges and issues relating to business affairs, compliance and governance issues. It oversees the management of the Company, making appropriate decisions on timely basis, taking other necessary actions and optimizing long-term value on stockholders' behalf. The Board of the company had laid down the terms of reference for its members and compliance thereto.

### Composition of Board-

It has monitored the overall activities of the top management team of the Company including their making of appropriate operational decisions at proper time, taking necessary actions and optimizing long-term value. The Board of this company is consisted of 05 (five) nos. of directors, out of which 03 (three) are from the part of Sponsor Shareholders/Members elected by the members of the company in the general meetings, one Independent Director as compliance of CG Code- 2018 and the Managing Director of the company as the executive director on the board.

**Composition of Board**





#### **Roles & Responsibility of the Directors-**

- ▶ Providing entrepreneurial leadership;
- ▶ Setting of goals and objectives for the company;
- ▶ Setting company's values and standards;
- ▶ Ensuring human and financial resources be available to achieve objectives;
- ▶ Constructive challenges mitigation and help in developing proposals on business strategy;
- ▶ Reviewing management team's performance and monitoring of performance reports;
- ▶ Satisfying themselves on integrity of financial information and reporting; controls and risk management systems and measures;
- ▶ Determining appropriate levels of remuneration and compensation issues;
- ▶ Appointment and removal of executive directors, and succession planning.
- ▶ Ensuring that obligations to shareholders and other stakeholders are understood and met.

**The resume of the present Board of Directors is appended hereinbefore in this Annual Report.**

#### **Directors' Board Meeting Attendance**

In accordance with relevant rules and procedures and Bangladesh Secretarial Standards (BSS) the Members of the board of this company has conducted its meetings and contained in its governing documents.

The common practice of the company to take collective decisions in the board meetings. As a body, the directors deal with the affairs of the company those needed its attention and guidance. The meetings of the Board of Directors of this Company were held at regular intervals so that the directors can discharge their responsibilities, to have control over the company's overall operation, strategy and policy, and to monitor the exercise of any delegated authority, and so that individual directors can report on their particular areas of responsibility.

The Board of Directors of BPML has conducted its meetings in accordance with the rules, regulations and procedures contained in its governing documents. The Board has taken collective decisions in its meetings likewise before. As a body, the directors deal with the affairs of the company those needed its attention. The meetings of the Board of Directors of this Company were held at regular intervals in accordance with the law as well as the need of this company.

During the period under review Nine Meetings of the Board of Directors were held. The attendance status of the Directors of the company during the period under review were as follows:

Sl.no.	Name of the Directors	Position in Company	No of meetings and attendance
1.	Mr. Ahmed Akbar Sobhan	Chairman	09/09
2.	Mr. Md. Imrul Hasan	Director	09/08
3.	Mr. Md. Nazmul Alam Bhuiyan	Nominated Director	09/08
4.	Mr. Khawaja Ahmedur Rahman	Independent Director	09/06
5.	Mr. Safwan Sobhan	Managing Director	09/09





## Directors' Shareholding Status

The shareholdings position of the Directors of the company as on 30 June 2020 were as follows:

Sl.no.	Name of the Directors	Position in Company	No of Shares	Holding in (%)
1.	Mr. Ahmed Akbar Sobhan	Chairman	40,00,000	2.30%
2.	Mr. Md. Imrul Hasan	Director	40,02,000	2.31%
3.	Mr. Md. Nazmul Alam Bhuiyan	Nominated Director	10,10,50,575	58.14%
4.	Mr. Khawaja Ahmedur Rahman	Independent Director	nil	nil
5.	Mr. Safwan Sobhan	Managing Director	82,03,000	4.72%

## Directors' Remuneration

During the period under review, the member of Board of Directors of the company including the Independent Directors did not receive any remuneration from the company likewise previously.

## Appointment & Retirement of Directors

To ensure the compliance of the Companies act 1994, the Board of Directors' of this company is concerned to guide and direct the company's affairs collectively and to protect the interests of the stakeholders as well. During the year under review, in addition to dealing with the business and financial issues, the Board of this company, dealt with various challenges, compliances, governance, social responsibility and corporate ethical issues, etc. In accordance with the provisions of the Article no. 100 of the Articles of Association of the Company the following 02 (two) of the Directors of this company are retiring by rotation in this 27th Annual General Meeting and all of them are eligible under the Article no. 101 of the Articles of Association for re-appointment as the Directors of the company in this Annual General Meeting:

- ▶ Mr. Md. Imrul Hassan; and
- ▶ Mr. Md. Nazmul Alam Bhuiyan nominated by - East West Property Development (Pvt.) Ltd.

The Board of Directors of this company has also recommended for the reelection of the retiring Directors and placed the matter before shareholders in this 27th General Meeting for their consent. **A brief resume of the above-mentioned Directors has been appended along with the other directors' resume hereinbefore this Report.**

## Independent Directors

In pursuance to the directives of the Bangladesh Securities and Exchange Commission's Corporate Governance Code as issued under the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 every listed company has to appoint the Independent Directors, to be 1/5th of the Board of Directors size, as the members of the Board of Directors.

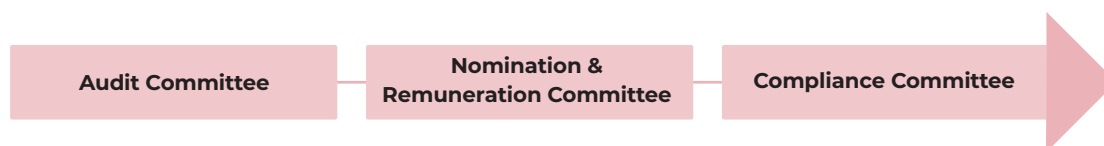
The Independent Directors so appointed should not have material or pecuniary relationship with the appointing company or related persons. It is prescribed in the said Notification that the independent directors shall be knowledgeable with integrity to ensure compliance with financial, regulatory and corporate laws and can make significant and meaningful contributions to business operations and shall have at least 12 (twelve) years of corporate management or professional experiences. The company had appointed two experienced corporate leaders having proven professional experiences as its independent directors under the directives of the Corporate Governance Code of BSEC previously. After the 26th General Meeting Mr. Zeaur Rahman, Independent Director of the company has expressed his intention to resign from the position of independent director for his personal ground and the Board of Directors had accepted the resignation. During the period under review Mr. Khawaja Ahmedur Rahman continued as the Independent Director of this company under the BSEC's Corporate Governance Code.

**The resume of the present Independent Director is appended hereinbefore in this Report.**



## Internal Control System

The company has an effective internal control system to reach its destination. The system assists to take strategic decision through an authentic financial and managerial reporting. The systems ensured the overall financial checking with the compliance of the policies and guidelines and related laws and regulations as well. The system plays vital role to reduce the business risk. The Board of Directors has delegated the responsibility of overall supervision of internal control system some different Committee of the Board and Management. The core committees which are ensures the internal control mentioned below:



## Audit Committee

In accordance with the directives of the Bangladesh Securities and Exchange Commission regarding the Corporate Governance Code by the its Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 the Board of Directors of the company had reconstituted an Audit Committee with specific Terms of Reference.

This committee is responsible to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations. The audit committee can expect to review significant accounting and reporting issues and recent professional and regulatory pronouncements to understand the potential impact on financial statements. An understanding of how management develops internal interim financial information is necessary to assess whether reports are complete and accurate. The committee reviews the results of the audit with management and external auditors, including matters required to be communicated to the committee under generally accepted auditing standards.

The Audit Committee comprised by Mr. Khawaja Ahmedur Rahman, Independent Directors and Mr. Md. Imrul Hassan, Director of the company during the period under review as the committee Members. The Board designated Mr. Khawaja Ahmedur Rahman as the Chairman of the committee and Mr. M. Naseemul Hye FCS, Company Secretary as the Member Secretary of the committee and by the order of the Board Mr. M. Mazedul Islam performing the responsibility as the Company Secretary in charge and as the Member Secretary of this committee from the fourth quarter of the FY 2019-2020.

The Members of this committee of this Company have adequate experience and knowledge on business and trade, corporate laws, financially literacy, ability to analyze and interpret the financial statements for effective discharging of the duties and responsibilities as the members of the Audit Committee.

The core responsibilities of the audit committee of this company include:

- ▶ To monitor accounting policies and principles.
- ▶ To oversee financial reporting and disclosure process.
- ▶ To oversight of regulatory compliance matters;
- ▶ To monitor internal control system;
- ▶ To oversee performance of internal audit function;
- ▶ To oversee hiring, performance and independence of the external auditors;
- ▶ To discuss risk management policies and practices with management

**The report of the Audit Committee is appended herewith this Annual Report.**

## Nomination & Remuneration Committee

In compliance with the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 regarding the Corporate Governance Code of Bangladesh Securities and Exchange Commission, BPML has re-constituted the Nomination & Remuneration Committee during the period under reviewed. The Nomination & Remuneration Committee's Terms of Reference has been determined by the board as follows:







The committee consists with the three members- Mr. Khawaja Ahmedur Rahman, Independent Director, Mr. Md. Nazmul Alam Bhuiyan, Nominated Director of East West Property Development (Pvt.) Ltd., and Mr. M. Naseemul Hye FCS, Company Secretary. The Board of Directors has designated Mr. Khawaja Ahmedur Rahman as the Chairman of the committee and Mr. M. Naseemul Hye FCS, Company Secretary as the Member Secretary and by the order of the board Mr. M. Mazedul Islam performing the responsibility as the Company Secretary in charge and act as Member Secretary of the committee from the fourth quarter of the FY 2019-2020.

The core responsibilities of the Nomination & Remuneration Committee of this company included:

- ▶ To devise policy for Board's diversity;
- ▶ To be independent, responsible and accountable;
- ▶ To set the qualifications and attributes for appointment, remuneration of suitable persons for appointment as directors and top-level executives;
- ▶ To identify suitable qualified persons as directors and top-level executives in accordance with the devised policy and recommend for their remunerations;
- ▶ To formulate the criteria for evaluation of the performance of Independent Directors, Non-Executive Directors and Board's function.
- ▶ To assess the need for employees and determination of selection criteria as well as transfers/ replacements/promotions matters;
- ▶ To develop and recommend the human resources and training policies and review of those annually.

**The report of the Nomination & Remuneration Committee is appended herewith this Report.**

### **Compliance Committee**

With the other different board committee of this company, the Board of Director has introduced a committee to play a role in the Internal Control System. The composition of the committee by the top management executives of the company with the knowledge of finance, corporate laws and compliance related matters both internal and external affairs.

The committee consists with the three members - Mr. Safwan Sobhan, Managing Director Mr. Mirja Mujahidul Islam, Chief Finance Officer, and Mr. M. Mazedul Islam, Company Secretary in charge. The Board of Directors has designated Mr. Safwan Sobhan, as the Chairman of the committee and Mr. M. Mazedul Islam, Company Secretary in charge as the Member Secretary of the committee.

The core responsibilities of the Compliance Committee of this company included:

- ▶ To comply all the compliance in the financial statements;
- ▶ To meet the regulatory requirements;
- ▶ To assist in the internal control process;
- ▶ To make and develop policy to meet the regulatory obligations;
- ▶ To review and analyze the overall compliance process of the company;
- ▶ To protect the interest of the shareholder;
- ▶ To ensure the Compliance of the Corporate Governance Code.

### **Reporting of Financial Statements**

We are pleased to report you that-

- ▶ The Financial Statements of the BPML has been prepared under true and fair view basis.
- ▶ The Financial Statements (FS) of the BPML has duly prepared in accordance with the applicable International Financial Reporting Standards (IFRS) in addition to comply the directives of the concerned regulatory bodies and along with notes to the statements and disclosure thereon.
- ▶ The required books of accounts properly maintained and recorded by the company.
- ▶ Considering the nature of business, the appropriate accounting policies have been consistently applied in preparation of the financial statements on priority basis.
- ▶ Details of the Inter Company Transactions and Related Party Transactions has been duly disclosed as per the guidelines.
- ▶ In the Financial Statements all financial indicators have reflected its authenticity. The periodical/ quarterly financial statements have duly disclosed to its stakeholders through the proper available channels.



## Financial Year

The company has adopted the period spread from July up to June as its financial year since the FY 2016-2017. It was adopted in compliance with the directives of National Board of Revenue (NBR) of the country. The July-June period is also followed as the financial year for keeping, preparation and reporting of the financial statements for the period under review.

## Statutory Auditors

The existing statutory auditors - M/S. Aziz Halim Khair Chowdhury, Chartered Accountants who were appointed in the 26th Annual General Meeting have completed their responsibilities during the period under review. The Auditors have requested for their reappointment being they are eligible.

The Board of Directors of BPML has recommended for the reappointment of M/S. Aziz Halim Khair Chowdhury, Chartered Accountants for the Financial Year 2020-2021. In view of this, the Board of Directors has decided to place the matter of reappointment of the Statutory Auditors of the company for the Financial Year 2020-2021, at a fee of BDT 3,50,000/- (Three Lac Fifty Thousand) excluding VAT for its approval by the shareholders of this company in this 27th Annual General Meeting.

## Executives' Shareholdings Status

The shareholdings position of the top Executives, Governance Officers, their spouses and children (minor) as on 30.06.2020 has been appended below:

Sl. no	Name	Position in Company	Nos. of Shares		
			Self	Spouse	Children (Minor)
1.	Mr. Md. Mustafizur Rahman FCA	Deputy Managing Director	Nil	Nil	Nil
2.	Mr. Mirja Mujahidul Islam	Chief Financial Officer	Nil	Nil	Nil
3.	Mr. Md. Kamrul Hassan	Head of Accounts & Finance	Nil	Nil	Nil
4.	Mr. Md. Eleas Hossain	Head of Internal Audit & Control	Nil	Nil	Nil
5.	Mr. M. Mazedul Islam	Company Secretary in charge	Nil	Nil	Nil

## Corporate Governance

Every company have to recognize the rights and privileges of its stakeholders, preserve the interests of the stakeholders including financiers, customers, management, employees, government, and the society, establish board's responsibilities by clearly outlining it, establish code of conduct for ethical behavior, establish and practice the business transparency for promoting shareholders' trust towards establishment of the good governance.

The corporate governance is aimed for increase of the accountability of a company, ensuring of transparency within a company. It is the set of rules, policies, procedures and practices by which a board ensures its accountability, fairness, and transparency. Under Corporate Governance system, a company is directed, guided and controlled by its Board and which is accountable to its stakeholders. It is used for operating, controlling and structuring of a company as a tool with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers, complying with the legal and regulatory requirements. A review and statements on corporate governance during the year appended with this report.

## Corporate Governance Compliance Certification & Appointment of Compliance Auditors

The company duly ensured the all the compliance of Code of Corporate Governance. In compliance of BSEC's notification vide BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018, M/S. Itrat Husain & Associates, Chartered Secretaries in Practice, has conducted the keen investigation work on the compliance of the Code of Corporate Governance by this company during the FY 2019-2020. The Compliance Certificate in Annexure-B and CG Code Status Report Annexure-C as directed by the BSEC and has included in the Annual Report as well.

The existing Compliance Auditors- M/S. Itrat Husain & Associates Chartered Secretaries in Practice who were appointed in the 26th AGM are going to complete their terms for three consecutive year during the year. Meanwhale the company has received a proposal from a valued shareholder to appoint M/S. M. Mohasin & Co. Chartered Secretaries, as the new Compliance Auditor for the Financial Year 2020-2021.





In view of this the Board of Directors has also recommended to appoint M/S. M. Mohasin & Co. Chartered Secretaries, for the purpose of Compliance Certification on corporate governance of this company under the BSEC Code for the Financial Year 2020-2021 with the fee of BDT 100,000/- (One Lac) excluding the VAT and placing the matter before the shareholders of this company in the 27th Annual General Meeting for its approval.

## Certifications

- ▶ Bashundhara Paper Mills Limited has been awarded with ISO 9001:2015 Quality Management System by RoyalCert International Registrars GmbH, Germany in 2020 for Bashundhara Paper Mills Ltd. Unit-1, Unit-2 and Unit-3. Certifies that the management system of the organization has been assessed and found to be in accordance with the requirements of the related standard.

BPML has been awarded with the ISO 14001:2015 Environmental Management System (EMS) Certification by The Con Cert Quality Management (CCQM) GmbH, Switzerland in 2020.

- ▶ BPML has been awarded with the Certification in 2018 by Control Union Certifications of The Netherlands, after it assessed the units and products of the company under i. FSC-STD-40-007 V2-0 Sourcing Reclaimed Material, ii. FSC-STD-40-004 V3-0 Chain of Custody Certification, iii. FSC-STD-50-001 V2-0 Requirements for use of the FSC Trademarks Certificate Holders.

The company has also been awarded with the Certification in 2016 by RINA Services SpA of The Italy, after it assessed the units and products of the company under FSC-STD-40-004 V3-0 with the groups of products according to the FSC-STD-40-004a with the products i. P2.3-Wrapping and packaging paper, ii. P6.4-Toilet paper/ bathroom tissue, iii. P6.5- Sanitary towels, tampons, diapers and similar.

## Award

- ▶ Bashundhara Tissue of BPML, under an initiative by the Bangladesh Brand Forum, this Tissue brand has been awarded 'Best Brand 2018' and 'Best Brand 2019' in consecutive years, where the Brand was audited by the Nielson.
- ▶ Bashundhara Paper has been awarded as the 'Superbrands 2018'. The first 'Superbrands' award was launched in Bangladesh in 2010. For the second time on 2018, a number of renowned brands have been selected for 'Superbrands 2018' in recognition of their work.

These all are the recognition for the company for keeping its promises, dedicated service and contributions towards cleanliness and serving the nation with the solution of healthy and better living. It has been regarded now-a-days that "Bashundhara Tissue" and "Bashundhara Paper" are the name which is inseparable from the daily livelihood of the citizens of this country. BPML views that these achievements are the recognition not only to this company but also to its consumers, patrons, business partners and well-wishers.

## Corporate Social Responsibility

An effective corporate social responsibility (CSR) practice put emphasis and focus on social, environmental and economic sustainability issues. It is a form of corporate self-regulation which reflects the responsibility of it towards the impact it causes on the society and its own prosperity. It is synonymous with responsible business practices of a company.

BPML has always been the front-runner to associate itself with various welfare functionalities for the society esp. Two of BPML's notable foundations e.g. Bashundhara Foundation and Bashundhara Special Children Foundation have propelled the humanitarian drives into a new height by working tirelessly for the betterment of the poor and underprivileged folks. These two foundations have been living up to Bashundhara's promise of "For the People, for the Country".





BPML from the very inception has been practicing to serve the community as well the country as a whole and the year under review is no exception. The company has undertaken various activities for the betterment of the society. The notable CSR activities of this company during the FY 2019-2020 are mentioned below –

- ▶ **Bashundhara Special Children Foundation:** Over 200 underprivileged autistic students studying at different grades; 2 separate 5-storied full-fledged school facility set-up with own pick & drop bus services for students and teachers.
- ▶ **Humanitarian supports during Covid-19 period:** Donated necessary COVID-19 kits i.e., Face Mask, PPE etc. to different Govt. and Public entities in support of mass people in COVID-19 pandemic situation. Also, regularly distributed Foods to underprivileged people to support them for their daily livelihood.
- ▶ **Hospitals:**
  - **Ibrahim Cardiac Hospital & Research Institute:** Bashundhara extends its assistance for the treatment of the poor cardiac children.
  - **Ad-Din Hospital:** Bashundhara has been regularly on the side of Ad-Din Hospitals.
- ▶ **Bashundhara Islamic Research Center:** Islamic Research Center Bangladesh popularly known as Bashundhara Islamic Research Center, a higher Islamic research institution situated at Bashundhara, Dhaka offers Islamic Education in the following fields of Islamic Studies.
  - Department of Fatwa (Darul Ifta)
  - Department of Higher Islamic Law and Fiqh
  - Department of Dawra-e-Hadeeth
- ▶ **Sports:**
  - **Toggi Sports Limited:** A leading national level sports club. Under the sponsorship of BPML the Club has been providing and conducting training programs for sportsmen and players of different disciplines. Toggi Sports Ltd. it's the owner of Rangpur Riders - the champion of BPL-2017.
  - **Sheikh Jamal Dhanmondi Club:** Lt. Sheikh Jamal Dhanmondi Club is a sports club in Dhaka based in the Dhanmondi area. They play in the national level football league of Bangladesh.
- ▶ **Education:** Supporting various educational institutions, all over the country, by providing educational materials, scholarships, sponsoring of sports events, etc., donating considerable quantity of education materials, multi-media and photo copiers to different educational institutes all over the country.
- ▶ **Natural Disasters/ Calamities:** Always front-liner to help the people in natural disasters/ calamities all over Bangladesh.

## Acknowledgments

The Board of Directors of Company is indebted to its customers for their excellent cooperation, support and having their confidence on us as their preferred list. We believe and look forward to their support and cooperation to continue in future like as before.

The Members of Board of Directors would like to express their special thanks and gratitude to all the well-wishers, patrons and valued shareholders, for extending their commendable support, co-operation and patronage to this company without which we could not achieve our objectives.

We, all in the Board of Directors of this company, express our sincere regards and gratitude to the banking and non-banking financial institutions including Southeast Bank Ltd., First Security Islami Bank Ltd., IFIC Bank Ltd., Shahjalal Islami Bank Ltd., AB Bank Ltd., Mutual Trust Bank Ltd., Agrani Bank Ltd., Bank Asia Ltd., Janata Bank Ltd., BASIC Bank Ltd., Trust Bank Ltd.,

Mercantile Bank Ltd., National Bank Ltd., NCC Bank Ltd., Social Islami Bank Ltd., Standard Bank Ltd., Union Bank Ltd., United Commercial Bank Ltd., BSEC, DSE, CSE, RJSC, BIDA, MoI, MoC and various other government and semi-government agencies for their continued support and cooperation towards this company during the FY 2019-2020.





The Board of Directors would also be extending its appreciation and gratitude to the Management of this company for their concentrated efforts excellent teamwork and to all the employees of this company for their dedication, efforts and services for which this company could accomplish its goals and objectives.

**Dear Respected Members,**

All of you may be aware of the present global pandemic situations. The policymakers worldwide are engaged in damage-control of the economic losses at the moment and preparing for confronting the upcoming economic crisis. In addition, there are evidences and indications that the manufacturing industries around the globe might have to face remarkable instability for around the year. The government of Bangladesh has taken many effective package/strategy/policies to overcome this economic recession. If we look at the sector-wise resource distribution of operating and development budget for the fiscal year 2019-2020, we would see the health sector has received merely 4.9% of the total allocation. In response to the current health & hygiene situation the company has involved its efficient management and workforce to innovate new products and explore new destinations to export, diversify products and maximize quality. At the same time the company has rearranged its operational activities considering the health issue of the workers. By ensuring our stakeholders with cooperative governance, we all shall overcome this crisis situation.

It is a matter of privilege that in our endeavors we got support and cooperation from our members, patrons and stakeholders during the period under review. We are hopeful and determined that if the support and cooperation from our respected members, stakeholders, patrons and wide range of customers are continued then no odds shall obstruct our journey and we shall come out successful in the long run.

May the Almighty Allah bless us all and thanking you.

On behalf of Board of Directors

Sd/-

**Ahmed Akbar Sobhan**

Chairman





**With LOVE  
&  
Healthy Living**

**20**  
Years  
2000-2020

**Bashundhara  
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**Bashundhara Paper Mills Ltd.**

**CARELINE**  
**16339**





# FINANCIAL HIGHLIGHTS OF FIVE YEARS

Financial of Highlights of last Five Years of Bashundhara Paper Mills Limited including FY 2019-2020

## Financial Position

	Amount in Million				
Particular	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Paid-up-Capital	1,737.91	1,737.91	1,737.91	1,477.50	1,477.50
Shareholders' Equity	7,727.02	7,480.25	7,549.50	4,887.17	4,504.85
Total Assets	28,032.71	30,186.24	25,062.14	20,677.89	18,908.85
Total Liabilities	20,305.69	22,705.99	17,512.64	15,790.71	14,404.00
Working Capital	1,393.617	2,640.11	2,665.46	2,926.87	3,495.44
Capital Employed (times)	0.37	0.09	0.11	0.13	0.16

## Operating Performance

Particular	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Revenue	8,544.46	11,039.12	10,821.10	10,004.08	10,834.64
Gross Profit	1,877.58	2,095.28	1,920.58	1,824.41	1,956.45
Income from Operating	1,395.88	1,604.42	1,390.59	1,423.88	1,515.64
Profit Before Int., Tax & Dep.	2,385.39	2,540.09	2,214.35	2,168.97	2,156.35
Net profit after Tax	285.83	291.84	693.64	385.13	430.02

## Financial Ratio

Particular	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Current Ratio	1.52	1.16	1.10	1.04	1.00
EBIT to Net Interest Cover (times)	1.51	1.45	1.60	1.78	1.57
Debt to Equity	2.63	3.04	2.32	3.23	3.20
Gross Profit Margin	21.97%	19.01%	17.75%	18.24%	18.08%
Operating Profit Margin	16.34%	14.53%	12.85%	14.23%	13.99%
Net profit Margin	3.35%	2.64%	6.41%	3.85%	3.97%

## Market Performance

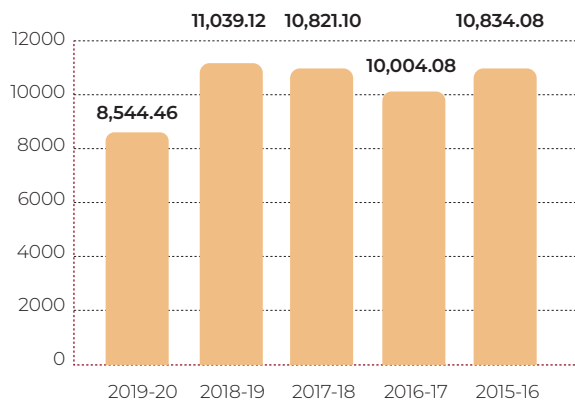
Particular	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Face value per Share	10	10	10	10	10
Dividend on Paid up Capital	10%	15%	20%	n/a	n/a
NAV per Share	43.55	42.52	49.18	31.38	30.49
Earnings per Share	1.64	1.68	3.99	2.57	2.91
Price Earning Ratio (P/E Ratio)	24.85	37.52	20.75	n/a	n/a



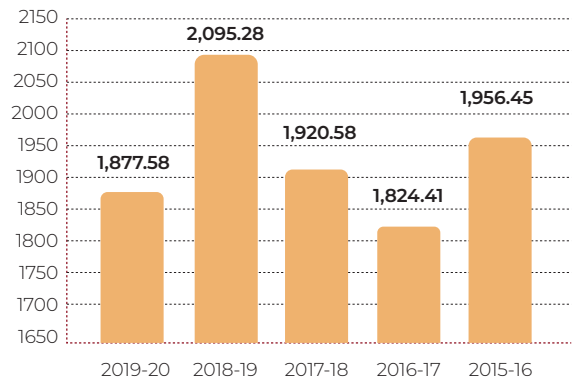


# GRAPHICAL PRESENTATION

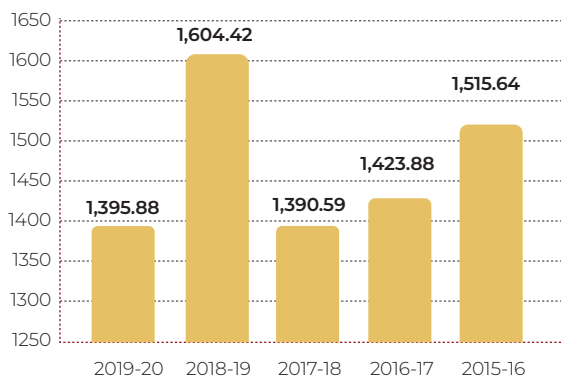
**Revenue Tk. (in million)**



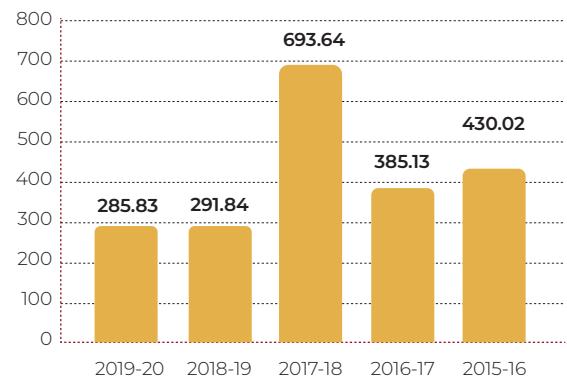
**Gross Profit Tk. (in million)**



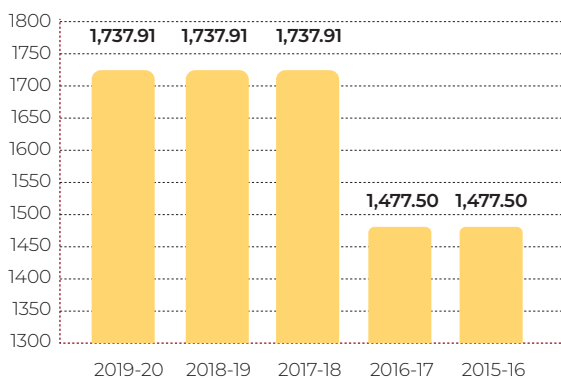
**Operating Income Tk. (in Million)**



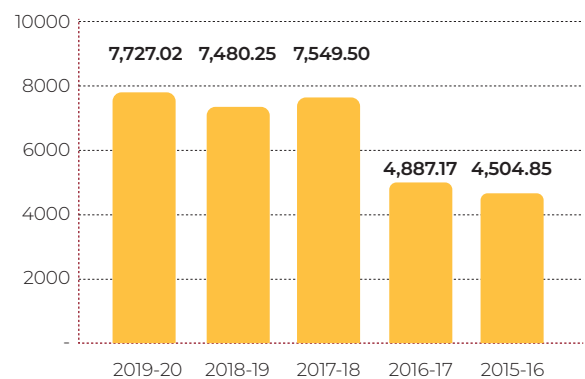
**Net Profit after tax Tk. (in million)**



**Paid up Capital Tk. (in Million)**

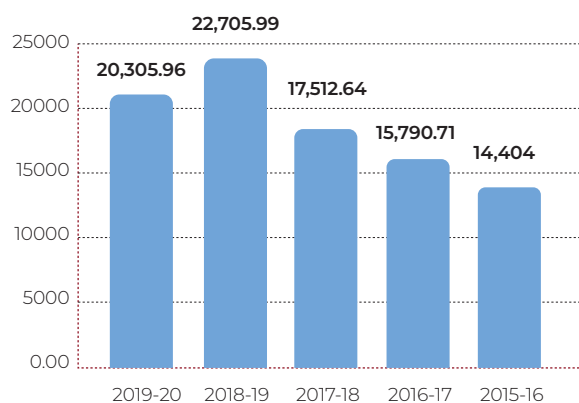


**Shareholder's Equity Tk. (in million)**

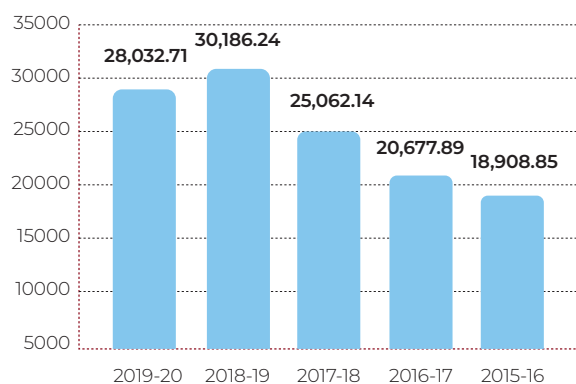




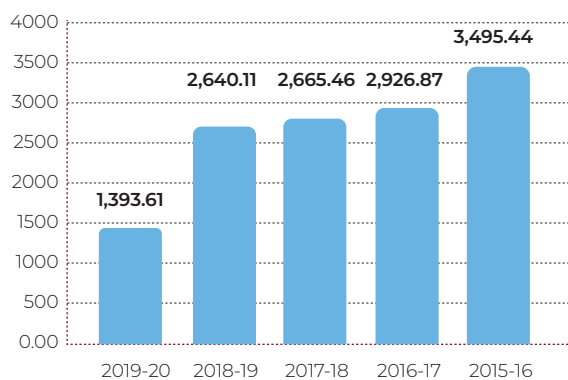
**Total Liabilities Tk. (in million)**



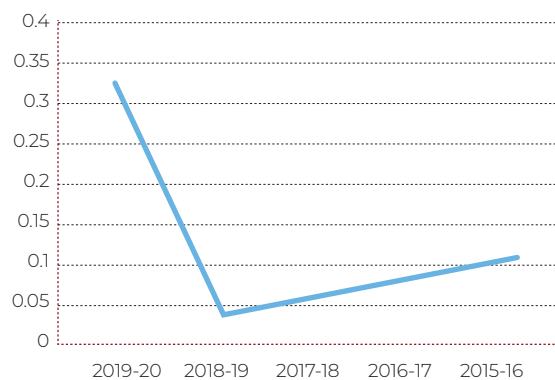
**Total Assets Tk. (in million)**



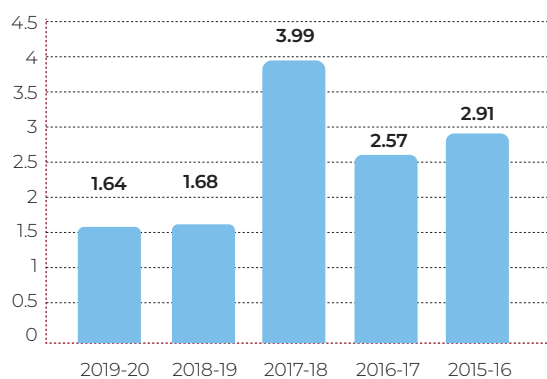
**Net Working Capital Tk. (in Million)**



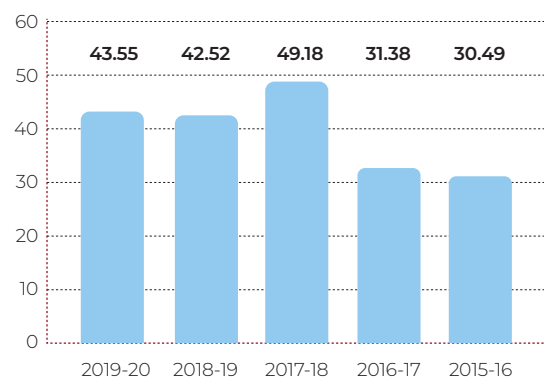
**Capital Employed as percentage of Outstanding Capital**



**Earnings Per Share Tk. (Per Share)**



**Net Asset Value Tk. (Per Share)**



# STATEMENT OF WEALTH CREATION & ITS DISTRIBUTION

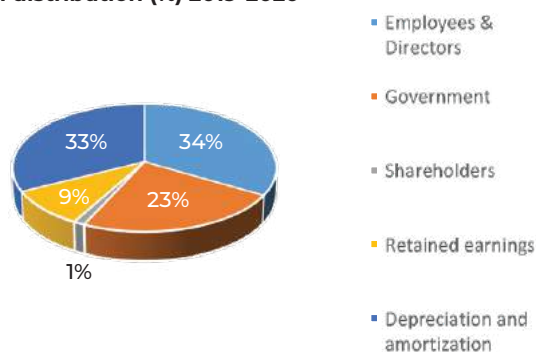
The Bashundhara Paper Mills Limited has accretion its wealth through manufacturing products in FY2019-2020 for its directors, employees, government and shareholders in the form of remuneration, salaries & allowances, duties & taxes, net profit after tax respectively and also indicates value of use of fixed assets through depreciation.

## Value Added for the year ended 30 June, 2020

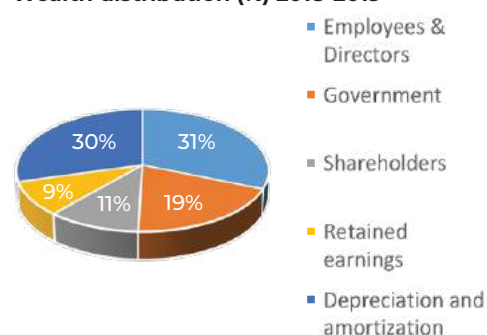
Figures in BDT

Particulars	2019-2020	2018-2019
<b>Wealth Creation</b>		
Revenue	9,021,484,850	11,488,209,576
Less: Cost of Sales	(5,799,393,263)	(8,119,575,940)
Operating Expenses	(137,275,934)	(194,851,443)
	<b>3,084,815,653</b>	<b>3,173,782,193</b>
Other Income	74,513,580	129,637,231
Provision for Expenses	(110,078,848)	(125,844,073)
<b>Total Wealth Creation</b>	<b>3,049,250,385</b>	<b>3,177,575,351</b>
<b>Wealth Distribution</b>		
<b>Employees &amp; Directors</b>		
Employees as salaries & Allowances	1,002,642,747	964,297,357
Directors as fees	17,500,000	28,500,000
<b>Government</b>	<b>714,699,540</b>	<b>611,747,735</b>
Corporate Tax	109,262,362	70,831,934
Value added Tax	448,713,657	435,504,614
Supplementary Duty	28,307,975	13,578,382
Customs Duty	128,415,546	91,832,805
<b>Shareholders</b>		
Dividend to Shareholders	39,062,499	347,582,882
<b>Retention for future business growth</b>		
Retained Earnings	285,832,152	291,848,486
Depreciation and Amortization	989,513,447	933,598,891
<b>Total Wealth Distribution</b>	<b>3,049,250,385</b>	<b>3,177,575,351</b>

## Wealth distribution (%) 2019-2020



## Wealth distribution (%) 2018-2019





# INVESTORS RELATION COMMUNICATION & CONTACTS

During the FY 2019-2020 the published Notice and Price Sensitive Information (PSI) for the Shareholders:

Sl. No.	Particulars	Category	Communicated through		Date
			BPML	Regulators	
1.	Finalize FS for FY 2018-2019 and declaration of 26th AGM	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	11 Nov, 2019
2.	Un-audited FS of 1Q of FY 2019-2020 approval	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	15 Nov, 2019
3.	26th AGM Notice	General Notice	Newspapers, Online Portal, Website	DSE, CSE, BSEC, CDBL	07 Nov, 2019
4.	Distribution of Dividend for FY 2018-2019	General Notice	Newspapers, Online Portal, Website	DSE, CSE, BSEC	23 Jan, 2020
5.	Un-audited FS of 2Q of FY 2018-2019 approval	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	30 Jan, 2020
6.	Un-audited 3Q FS approval	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	10 June, 2020

## Investors Relation Contacts:

Name	Position in Company	Contact Details
Mr. M. Mazedul Islam	Company Secretary in charge	+ 88 02 8431256-8 + 88 02 8432289-93 + 88 02 8432305 mazedul.islam@bg.com.bd cosec_bpml@bg.com.bd

**Complain Cell:** [www.bashundharapapermills.com/investors relation/complain cell](http://www.bashundharapapermills.com/investors%20relation/complain%20cell)

**Business Hour:** Saturday-Thursday, 9:00 AM – 4:00 PM (excluding govt. holidays)

**Share Office :** Bashundhara Industrial Headquarters-2  
Plot-56/A, Umme Kulsum Road, Block-C  
Bashundhara R/A, Dhaka-1229.



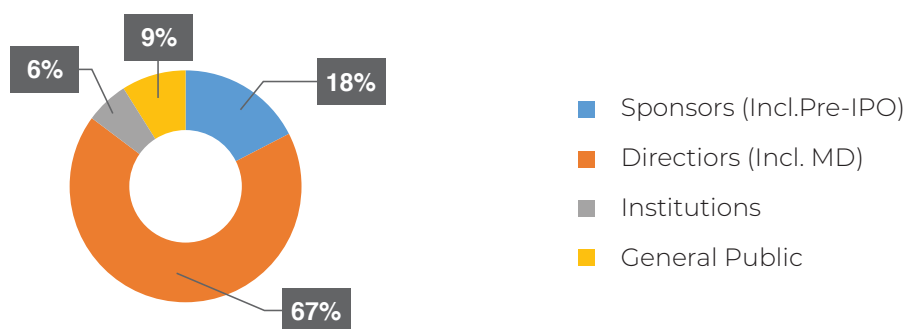
# SHAREHOLDING INFORMATION

1. Shareholding position by Category of the Company:

**Shareholding Position in number and percentage on the basis on Record Date i.e. 30/11/2020:**

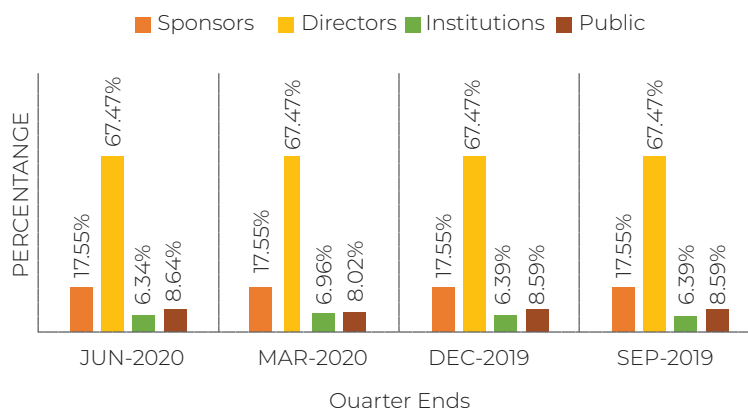
Particulars	Number of Shareholders	No. of Shares	Ownership (%)
Sponsors (including pre-IPO sponsors)	04	30,500,398	17.55%
Directors (including MD)	04	117,257,085	67.47%
Institutions	184	11,727,984	6.74%
General Public	13,125	14,305,774	8.23%
Total	13,315	173,791,441	100.00%

**Shareholding by Categories in (%)**



2. Quarterly Shareholding position by Category in Percentage as on 30 June 2020:

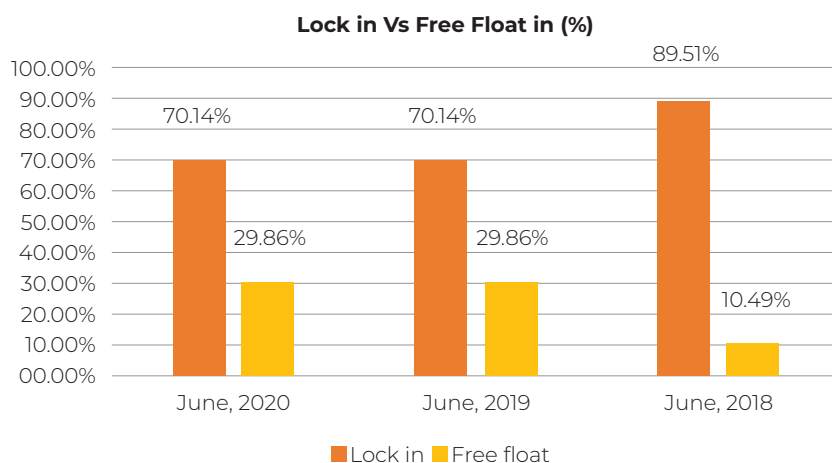
**Shareholding by Categories in (%)**







3. Position of Lock-in Shares and Free float Shares in (%) as on 30 June 2019:



4. Distribution schedule of each class of equity security setting out the number of holders and percentage as on 30 June 2020:

Share Holding Range	Number of Shareholders	No. of Shares	Ownership (%)
0000000001-0000000500	12,582	1,715,224	0.987%
0000000501-0000005000	3,845	6,760,033	3.890%
0000005001-0000010000	406	2,975,198	1.712%
0000010001-0000020000	236	3,325,912	1.914%
0000020001-0000030000	92	2,171,206	1.249%
0000030001-0000040000	27	916,993	0.528%
0000040001-0000050000	27	1,218,565	0.701%
0000050001-0000100000	36	2,598,112	1.495%
0000100001-0001000000	23	4,360,423	2.509%
0001000001-1000000000	7	147,749,775	85.016%





# FINANCIAL **STATEMENTS**





# CERTIFICATE OF DUE DILIGENCE OF CEO & CFO

## Annexure-A

[as per condition No.1(5)(xxvi) of the CG Code, 2018]

Date: 07 November, 2020

The Board of Directors  
Bashundhara Paper Mills Limited

**Subject: Declaration on Financial Statements for the year ended as on 30/06/2020.**

Dear Sirs,

Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03/06/2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of Bashundhara Paper Mills Limited for the year ended on 30/06/2020 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 them 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 30/06/2020 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,

Sd/-  
**Safwan Sobhan**  
Managing Director

Sd/-  
**Mirja Mujahidul Islam**  
Chief Financial Officer





## AZIZ HALIM KHAIR CHOUDHURY

Chartered Accountants

Exclusive Correspondent Firm of PKF International

### Independent Auditor's Report To the Shareholders of Bashundhara Paper Mills Ltd. Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Bashundhara Paper Mills' Ltd. ("the Company"), which comprise the Statement of Financial Position as at 30 June 2020, and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2020, and its financial performance and its cash flow year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in 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. For each matter below, our description of how our audit addressed the matter is produced in the context.

Risk	Our response to the risk
<b>Property, plant and equipment (PP&amp;E)</b>	
<p>The carrying value of PP&amp;E as at 30 June 2020 was BDT. 15,407,776,066. Which is 54.96% of total assets.</p> <p>There are a number of areas where management judgment impacts the carrying value of PP&amp;E, and the related depreciation profiles. These include:</p> <ul style="list-style-type: none"><li>Determining which costs meet the criteria for capitalization;</li><li>The estimation of economic useful lives and residual values assigned to property, plant and equipment.</li></ul> <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of PP&amp;E included the following:</p> <ul style="list-style-type: none"><li>assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment, including the key internal controls over the estimation of useful economic lives and residual values;</li><li>assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization; and</li><li>evaluating management's estimation of useful economic lives and residual values</li></ul>



Risk	Our response to the risk
	by considering our knowledge of the business.
See note no. 4.00 of the financial statements.	
<b>Valuation of Inventory</b>	
<p>The Company had inventory of BDT 7,464,742,402 at 30 June 2020, held and across multiple product lines. Inventories are carried at the lower of cost and net realizable value.</p> <p>Inventory valuation and existence was a key audit matter because of store/ location that inventory was held and the judgment applied in the valuation of inventory.</p>	<p>We performed a number of audit procedures for inventory valuation and existence. The procedure introduced any others the followings:</p> <ul style="list-style-type: none"> <li>• Evaluated and selected systems and processes for inventory and tested a sample of key controls for establishing volumes and cost;</li> <li>• Evaluated the stocking process in the selected stores and undertook our own test of control;</li> <li>• Tested, on a sample basis, stocks of raw materials to actual prices. Assessed the reasonableness of the product and service costing;</li> <li>• Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories;</li> <li>• Participated in stock takes at a number of locations and tested the cut-off of deliveries in or out of inventory; and Obtained the company's monitoring controls of slow movers and assessments of obsolescence as well as net selling prices.</li> </ul>
See note no. 9.00 to the financial statements	
<b>Revenue recognition</b>	
<p>At year end of the Company reported total revenue of BDT 8,544,463,487.</p> <p>The Company has multiple revenue units including Unit-1, Unit-2 &amp; Unit-3. Since the company has complex terms of contracts which require significant management estimation and judgment in determining the timing of revenue recognition and measurement. Revenue is derived from several business segments and agreement with customers contain more than one performance obligation. Hence the management needs to determine the basis for allocating the consideration received between the separate performance obligations based on relative standard selling price. This matter is considered a key audit matter due to the level of judgment required to determine the timing of revenue recognition and measurement.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the revenue recognition principles applied by the Company towards applicable accounting standards;</li> <li>• We evaluated the revenue recognition of different segments of revenue in relation to the terms of the service terms;</li> <li>• We tested the key controls over the calculation, authorization and approval of bills forwarded to customers and the capturing and recording of revenue transactions;</li> <li>• We tested the timing of the revenue recognition;</li> <li>• We evaluated the appropriateness of the notes related to the Company's revenue;</li> <li>• We critically assessed manual journals posted to revenue to identify unusual or irregular items; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>
See note no. 28 of the financial statements	



### Reporting on 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 auditors' report thereon.

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 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.

### 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 in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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 a part of an audit in accordance with ISAs, we exercise professional judgement 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, misrepresentation, 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 doubts 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 the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would be reasonably be expected to outweigh the public interest benefits of such communication

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations. We, as required by law, further report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief where necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books are required by law have been kept by the Company so far as it appeared from our examinations of those books ;
- c) The information and explanations required by us have been received and found satisfactory;
- d) The Statement of Financial Position, and the Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns; and
- e) The expenditure was incurred for the purpose of the Company's business

Dhaka  
Dated: 08 November 2020.

Sd/-  
**Aziz Halim Khair Choudhury**  
Chartered Accountants

Signed by  
**Md. Aftab Uddin Ahmed FCA**  
Senior Partner  
ICAB Enrolment # 804

# BASHUNDHARA PAPER MILLS LIMITED

## Statement of financial position

As at 30 June 2020

		30-Jun-2020	30-Jun-2019
	Notes	Amount in Taka	
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>17,200,941,398</b>	<b>15,729,748,507</b>
Property, plant and equipment, net	4	15,407,776,066	13,289,188,831
Intangible Assets, net	5	158,794,592	166,798,327
Right-of-use assets	6	41,169,020	-
Capital work-in-progress	7	1,328,201,720	2,008,761,348
Investment	8	265,000,000	265,000,000
<b>Current assets</b>		<b>10,831,777,022</b>	<b>14,456,497,247</b>
Inventories	9	7,464,742,402	7,866,400,203
Trade and other receivables	10	1,404,774,156	3,693,325,197
Advances, deposits and prepayments	11	708,955,164	829,368,883
Advance income tax	12	483,959,471	374,697,109
Intercompany current account	13	488,355,587	356,051,064
Cash and bank equivalents	14	280,990,242	1,336,654,791
<b>Total assets</b>		<b>28,032,718,420</b>	<b>30,186,245,753</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>7,727,026,536</b>	<b>7,480,252,300</b>
Share capital	15	1,737,914,410	1,737,914,410
Share premium	16	1,739,583,292	1,739,583,292
Revaluation reserve	17	2,072,945,223	2,092,726,250
Retained earnings	18	2,176,583,611	1,910,028,348
<b>Liabilities</b>			
<b>Non-current Liability</b>		<b>13,201,888,017</b>	<b>10,193,472,915</b>
Long term borrowings	19	10,977,987,601	8,397,659,591
Lease Liabilities	20	343,036,876	38,946,320
Deferred tax liability	21	1,189,125,397	1,076,753,353
Intercompany Payable	22	691,738,143	680,113,651
<b>Current liabilities</b>		<b>7,103,803,866</b>	<b>12,512,520,539</b>
Long term borrowings-current portion	23	1,974,333,458	1,740,500,152
Short term borrowings	24	3,126,622,374	8,084,230,977
Trade and other payables	25	1,576,257,948	2,296,713,495
Provision for expenses	26	110,078,848	125,844,073
Income tax provision	27	316,511,236	265,231,842
<b>Total liabilities</b>		<b>20,305,691,883</b>	<b>22,705,993,454</b>
<b>Total equity and liabilities</b>		<b>28,032,718,420</b>	<b>30,186,245,753</b>
<b>Net Asset Value Per Share</b>	<b>44</b>	<b>43.55</b>	<b>42.08</b>

The annexed notes 1 to 55 form an integral part of these financial statements.

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Chairman

Sd/-

Dated, Dhaka  
08 November 2020

As per our report of same date

**Aziz Halim Khair Choudhury**  
Chartered Accountants



## BASHUNDHARA PAPER MILLS LIMITED

### Statement of profit or loss and other comprehensive income

for the year ended 30 June 2020

	Notes	01-Jul-2019 to 30-Jun-2020	01-Jul-2018 to 30-Jun-2019
		Amount in Taka	
Revenue, net	28	8,544,463,487	11,039,126,581
Cost of sales	29	(6,666,877,871)	(8,940,367,498)
<b>Gross profit</b>		<b>1,877,585,616</b>	<b>2,098,759,083</b>
Other income	30	74,513,580	129,637,231
Administrative expenses	31	(360,254,388)	(392,866,946)
Selling & distribution expenses	32	(195,964,212)	(229,030,716)
Finance costs	33	(922,735,151)	(1,103,924,593)
<b>Profit before distribution of WPP &amp; WF</b>		<b>473,145,445</b>	<b>502,574,059</b>
Workers' profit participation & welfare fund	34	(23,657,272)	(25,128,703)
<b>Profit before tax</b>		<b>449,488,173</b>	<b>477,445,356</b>
<b>Income tax expenses</b>	35	<b>(163,651,438)</b>	<b>(185,596,870)</b>
Current tax expense		(51,279,394)	(66,235,531)
Deferred tax (expense)/income		(112,372,044)	(119,361,339)
<b>Profit after tax</b>		<b>285,836,735</b>	<b>291,848,486</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss		—	—
Items that may be reclassified subsequently to profit or loss		—	—
<b>Total Comprehensive Income for the year</b>		<b>285,836,735</b>	<b>291,848,486</b>
<b>Earnings per share</b>			
<b>Basic earnings per share (per value of Tk. 10)</b>	36	<b>1.64</b>	<b>1.68</b>

The annexed notes 1 to 55 form an integral part of these financial statements.

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Chairman

As per our report of same date

Dated, Dhaka  
08 November 2020

Sd/-  
**Aziz Halim Khair Choudhury**  
Chartered Accountants

**BASHUNDHARA PAPER MILLS LIMITED****Statement of changes in equity**  
for the year ended 30 June 2020

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	<b>Amount in Taka</b>				
Balance as on 01 July 2018	1,737,914,410	1,739,583,292	2,112,514,322	1,959,489,520	7,549,501,545
Transfer to retained earnings	-	-	(19,788,072)	19,788,072	-
Payment of cash dividend	-	-	-	(347,582,882)	(347,582,882)
Adjustment for current tax of prior years	-	-	-	(13,514,849)	(13,514,849)
Total Comprehensive Income for the year	-	-	-	291,848,486	291,848,486
<b>Balance as at 30 June 2019</b>	<b>1,737,914,410</b>	<b>1,739,583,292</b>	<b>2,092,726,250</b>	<b>1,910,028,347</b>	<b>7,480,252,300</b>
Balance as at 01 July 2019	1,737,914,410	1,739,583,292	2,092,726,250	1,910,028,347	7,480,252,300
Transfer to retained earnings	-	-	(19,781,027)	19,781,027	-
Payment of cash dividend	-	-	-	(39,062,499)	(39,062,499)
Total Comprehensive Income for the year	-	-	-	285,836,735	285,836,735
<b>Balance as at 30 June 2020</b>	<b>1,737,914,410</b>	<b>1,739,583,292</b>	<b>2,072,945,224</b>	<b>2,176,583,610</b>	<b>7,727,026,536</b>

Sd/-

**Chief Financial Officer**

Sd/-

**Company Secretary**

Sd/-

**Managing Director**

Sd/-

**Director**

Sd/-

**Chairman**



## BASHUNDHARA PAPER MILLS LIMITED

### Statement of cash flows

for the year ended 30 June 2020

	Notes	01-Jul-2019 to 30-Jun-2020	01-Jul-2018 to 30-Jun-2019
		<b>Amount in Taka</b>	
<b>A) Cash flows from operating activities</b>			
Receipts from customers	39.01	11,347,128,003	10,763,476,984
Receipts from other income	39.02	37,421,737	117,403,047
		11,384,549,740	10,880,880,031
Payment to suppliers, employees & others	39.03	(6,471,221,104)	(8,598,987,415)
Cash generated from operations		4,913,328,636	2,281,892,616
VAT paid	28	(448,713,657)	(435,504,614)
SD Paid	28	(28,307,975)	(13,578,382)
Income taxes paid	12	(109,262,362)	(70,831,934)
Bank charges and commission	33	(8,023,610)	(12,181,862)
<b>Net cash (used in)/generated by operating activities</b>		<b>4,319,021,031</b>	<b>1,749,795,824</b>
<b>B) Cash flows from investing activities</b>			
Payments for property, plant and equipment		650,121,637	(514,187,248)
Adjustment/ transfer of intangible assets		5,703,750	–
Adjustment/ transfer for property, plant and equipment		478,993	–
Receipts/ transfer of capital work-in-progress		(3,119,210,982)	(4,256,734,211)
<b>Net cash (used in)/generated by investing activities</b>		<b>(2,462,906,602)</b>	<b>(4,770,921,459)</b>
<b>C) Cash flows from financing activities</b>			
Received/ (repayment) of short term borrowings		(4,957,608,603)	(891,740,884)
Payments of Bank interest and other charges		(912,679,720)	(1,098,292,889)
Payments of dividends to owners of the company		(39,062,499)	(50,970,631)
Received/ (repayment) of Intercompany debt		(120,680,030)	(229,653,586)
Received/ (repayment) of lease liabilities		304,090,556	–
Received/ (repayment) of long term borrowings		2,814,161,317	5,108,983,925
<b>Net cash (used in)/generated by financing activities</b>		<b>(2,911,778,980)</b>	<b>2,838,325,934</b>
<b>D) Net increase in cash and cash equivalents (A+B+C)</b>		<b>(1,055,664,550)</b>	<b>(182,799,701)</b>
<b>E) Cash and cash equivalents at the beginning</b>	14	<b>1,336,654,791</b>	<b>1,519,454,492</b>
<b>F) Cash and cash equivalents at the end (D+E)</b>	14	<b>280,990,242</b>	<b>1,336,654,791</b>
<b>Net Operating Cash Flows per share</b>	45	<b>24.85</b>	<b>10.07</b>

The annexed notes 1 to 55 form an integral part of these financial statements.

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Chairman

# BASHUNDHARA PAPER MILLS LIMITED

## Notes to the financial statements

As at and for the year ended 30 June 2020

### 1. REPORTING ENTITY

#### 1.1 COMPANY PROFILE

Bashundhara Paper Mills Limited (hereinafter referred to as "BPML"/"the Company") is a public limited company by shares is domiciled in Bangladesh which was incorporated on 28 September 1993 vide registration no.C-24705(539)/93 under the Companies Act 1913, subsequently replaced by Companies Act 1994. The Company has been listed to both the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on 19 June 2018. Trading of the shares of the company started in two stock exchanges from 02 July 2018.

#### 1.2 ADDRESS OF REGISTERED OFFICE AND FACTORIES

The registered office of the company is situated at 125/A, Basahundhara R/A, Block-A, Baridhara, Dhaka-1212, Bangladesh. Corporate office address is Bashundhara Industrial Headquarters-2, Plot# 56/A, Block# C, Umme Kulsum Road, Bashundhara R/A, Dhaka-1229, Bangladesh. The industrial units 1 and 2 are established at New town, Meghna Ghat, Sonargoan, Narayangonj and Unit-3 is Anarpura, Gazaria, Munshigonj.

#### 1.3 NATURE OF BUSINESS

The company is engaged in manufacturing and marketing of all kinds of paper products, tissue products, Hygienic products, PP woven bag, paper sack and other consumer brand items. The enterprise, since its inception, is helping the nation save huge amount of hard-earned foreign exchange by cutting dependence on imported paper products.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING AND VALUATION POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The specific Accounting Policies selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 Presentation of Financial Statements in preparation and presentation of financial statements. Compared to the previous year, there were no significant changes in the accounting and valuation principals affecting the financial position and performance of the company. Accounting and valuation methods are disclosed for reasons of clarity.

#### 2.1 BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRESENTATION

##### 2.1.1 Accounting standards

The financial statements of the company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

##### 2.1.2 Accounting Convention

The financial statements are prepared under the historical cost convention except items of fixed assets revalued in 2010 and 2015. The company classified the expenses using the function of expenses method as per IAS-1.

##### 2.1.3 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.





As required, Bashundhara Paper Mills Limited complies with the following major legal provisions and other applicable laws and regulations:

- / The Companies Act 1994
- / The Securities and Exchange Rules, 1987
- / The Securities & Exchange Ordinance, 1969
- / The Income Tax Ordinance, 1984
- / The Income Tax Rules, 1984
- / The Value Added Tax and Supplementary Duty Act, 2012
- / The Customs Act, 1969
- / The Bangladesh Labor (Amendment) Act 2013, 2006
- / International Accounting Standards (IAS)
- / International Financial Reporting Standards (IFRS)
- / The Listing Regulations of Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.

## 2.2 FUNCTIONAL AND PRESENTATIONAL CURRENCY

These financial statements are prepared in Bangladeshi Taka (Taka/Tk.) currency, which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

## 2.3 USE OF ESTIMATES AND JUDGMENT

The preparation of these financial statements in conformity with IFRSs 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 on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Note 20:	Finance lease obligations (classification and measurement)
Note 21:	Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities)
Note 28:	Revenue (allocation of revenue among multiple elements, determination of percentage of completion for services rendered)
Note 35:	Income tax expenses

Topic	Policy No.	Note No.
Property, plant & equipment-Cost	3.1.1	4.00
Property, plant & equipment-Depreciation	3.1.3	4.00
Valuation of inventories	3.6	9.00
Deferred tax	3.10.2	21.00
Impairment of property, plant & equipment	3.1.9	N/A

## 2.4 PRESENTATION OF FINANCIAL STATEMENTS

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements, The Financial Statements comprises:

- / a statement of financial position;
- / a statement of profit or loss and other comprehensive income;
- / a statement of changes in equity;
- / a statement of cash flows; and
- / notes, comprising a summary of significant accounting policies and explanatory information.





## 2.5 CURRENT VS. NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- a) expected to be realized or intended to be sold or consumed in normal operating cycle
- b) held primarily for the purpose of trading
- c) expected to be realized within twelve months after the reporting period or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months

All other assets are classified as non-current.

A liability is current when it is:

- a) expected to be settled in normal operating cycle
- b) held primarily for the purpose of trading
- c) due to be settled within twelve months after the reporting period or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

The Company classifies all other liabilities as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

## 2.6 COMPLIANCE WITH THE REQUIREMENTS OF NOTIFICATION OF THE SECURITIES AND EXCHANGE COMMISSION DATED 04.06.2008 under Ref. # SEC/CMMRPC/2008-81/53/Adm/03/28

2.6.1 Notes to the financial statements marked from 3.00 to 3.30 setting out the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.

2.6.2 The accounting policies on all material areas have been stated clearly in the notes marked from 3.00 to 3.30

2.6.3 The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

The following IASs and IFRSs are applicable for the preparation of financial statements for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, 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 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments



- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases

## 2.7 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. The change interprets a single accounting model on balance sheet, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective from or after 1 January 2019.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, BPML recognises right-of-use assets and lease liabilities for all leases.

## 2.8 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

A number of new standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards.
- IFRS 17 Insurance Contracts.
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Definition of a Business (Amendments to IFRS 3)

## 2.9 REPORTING PERIOD

The financial period of the Company covers from 01 July to 30 June. The Company follows its reporting period from 01 July to 30 June in order to comply with the provision of section 9 of the Finance Act, 2015 and interpretations and implementation of Bangladesh Securities and Exchange Commission Directive No. SEC/SRMIC/2011/1240/445 dated April 27, 2016 concerning uniform income year. However, the company was followed its reporting period from 01 January to 31 December up to 30 June 2016.

## 2.10 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and authorized for issue on 07 November 2020.

## 2.11 BOOKS OF ACCOUNTS

The Company maintains its books of accounts for main business in electronic form through its own customized software. Besides, the Company using SAP software which under process of full implementation. SAP ERP is enterprise resource planning software developed by the German company SAP SE next year. Business Processes included in SAP ERP include Operations (Sales & Distribution, Materials Management, Production Planning, Logistics Execution, and Quality Management), Financials (Financial Accounting, Management Accounting and Financial Supply Chain Management) and Human Capital Management (Payroll).

## 2.12 COMPARATIVE INFORMATION AND REARRANGEMENT THEREOF

Comparative information for the financial position has been disclosed in respect of the year ended June 30, 2019 for all numerical 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.

Figures for the year ended June 30, 2019 have been re-arranged wherever considered necessary to ensure better comparability with the current year.



### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

#### 3.1 PROPERTY, PLANT AND EQUIPMENT

##### 3.1.1 Recognition and Measurement

Land, building, plant and machinery, furniture, fixtures and equipments held for use in the production or supply of goods and services, or for administrative purposes, are stated in the statement of financial position at their cost and revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of June 30, 2020 and these are stated at cost. Revaluations are performed with sufficient regulatory such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriated categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

##### 3.1.2 Subsequent Costs and Maintenance Activities

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit or loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

##### 3.1.3 Depreciation

Depreciation is recognized so as to write off the cost or valuation of assets, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed for the 1st time at end of 2010 by SGS Bangladesh Limited, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on revalued buildings, plant and machinery, furniture, fixtures and equipments is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Depreciation begins when the asset is available for use and continues until the asset is derecognized. All items of property, plant and equipment have been depreciated on straight line basis over the estimated useful lives of property, plant & equipment as under:

Category	Useful life (Year)
Land and Land Development**	Nil
Building and other constructions	10-50
Furniture & Fixtures	5-15





Office Equipment	5-15
Motor Vehicle	2-10
Plant & Machinery	2-20
Sundry Assets	5-15
Factory apparatus and Loose Tools	2-20

\*\*Land is not depreciated as it deemed to have an infinitive life.

### 3.1.4 Derecognition of Property, Plant and Equipment

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

### 3.1.5 Revaluation

The fixed assets as at 31 December 2010 were 1st time revalued to their fair market value as per decisions of the Board of Directors. All fixed assets under property, plant and equipment available on the cut-off date 31 December 2010 were revalued by an independent valuer S. F. Ahmed & Co., Chartered Accountants (Representative of ERNST & YOUNG GLOBAL in Bangladesh) and the revaluation surplus has been incorporated in the financial statements as on 31 December 2010.

Further as per decision of the Board of Directors (BoD) of the Company has revalued its freehold land to determination of current fair market value to be used to show the actual picture of the company in the Financial Statements in 2015 by an independent valuer Mahfel Huq & Co.; Chartered Accountants dated 16 May 2015. As per BoD meeting dated 05 July 2015, the Board of Directors has accepted the revaluation report and agreed to effect revaluation surplus amount in the accounts of BPML by following necessary accounting policies.

Any revaluation increase arising on the revaluation of such land, buildings, plant and machinery, furniture, fixtures and equipments is recognized in other comprehensive income and accumulated in equity as revaluation reserve, except to the extent that it reverses a revaluation decreases for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent if the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such Land, building, plant and machinery, furniture, fixtures and equipments is recognized in profit or loss to the extent that it exceeds the credit balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

### 3.1.6 Software

Software is generally charged off as revenue expenditure. Customized software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Acquired computer software's capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

### 3.1.7 Disposal of Fixed Assets

On Disposal of Fixed Assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

### 3.1.8 Maintenance Activities

The company incurs maintenance cost for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.



### 3.1.9 Impairment

The carrying value of the Company's assets other than inventories, are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income in the year concerned.

## 3.2 INTANGIBLE ASSETS

### 3.2.1 Recognition

The recognition of an item as an intangible asset requires to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. An intangible asset is recognized as an asset if, and only if:

- / it is probable that expected future economic benefits that are attributable to the asset will flow to the company; and
- / the cost of the item can be measured reliably.

### 3.2.2 Measurement

An intangible asset is measure at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are likely to maintain the expected future economic benefits embodied in an existing intangible asset rather than meet the definition of an intangible asset and the recognition criteria. In addition, it is often difficult to attribute subsequent expenditure directly to a particular intangible asset rather than to the business as a whole. Therefore, expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset is usually recognised in profit or loss as incurred. This is because such expenditure cannot be distinguished from expenditure to develop the business as a whole.

### 3.2.3 Separately Acquired Intangibles Assets

The cost of a separately acquired intangible asset comprises:

- / its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- / and any directly attributable cost of preparing the asset for its intended use.

### 3.2.4 Internally Generated Intangible Assets

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

### 3.2.5 Research Phase

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

### 3.2.6 Development Phase

An intangible asset arising from development (or from the development phase of an internal project) is recognised in IAS-38: Intangible asset. The company's intangible assets include computer software development (SAP), Design, construction and development of products, Augmented Reality. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.





### 3.2.7 Recognition of an Expense

Income cases, expenditure are incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognised. For example, expenditure on research is recognised as an expense when it is incurred, except when it is acquired as part of a business combination. Other examples of expenditure that is recognised as an expense when it is incurred include:

- / expenditure on start-up activities i.e. start-up costs/ pre-operating cost.
- / expenditure on training activities.
- / expenditure on advertising and promotional activities.
- / expenditure on relocating or reorganising part or all of an entity.

### 3.2.8 Past Expenses

Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

### 3.2.9 Revaluation of Intangibles

The revaluation model requires an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. However, fair value shall be measured by reference to an active market. The revaluation model does not allow the revaluation of intangible assets that have not previously been recognised as assets; or the initial recognition of intangible assets at amounts other than cost.

### 3.2.10 Amortization

The amortization amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation begin when the asset is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. An intangible asset with an indefinite useful life is not amortised.

Sl. no.	Category	Useful lives
1	SAP Software	25
2	CRM Software	10

### 3.2.11 Derecognition of Intangible Assets

The carrying amount of an item of intangible assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of intangible assets is included as other income in profit or loss when the item is derecognised. When the revalued assets are disposed off, the respective revaluation surplus is transferred to retained earnings.

## 3.3 RIGHT-OF-USE ASSET

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Company's accounting policies.

## 3.4 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.







### 3.4.1 Recognition and initial measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### 3.4.2 Classification and subsequent measurement

#### *Financial assets – Policy applicable from 1 July 2018*

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### i. Financial assets – Business model assessment: Policy applicable from 1 July 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:





- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

*Financial assets – Subsequent measurement and gains and losses: Policy applicable from 1 July 2018*

**Financial assets at FVTPL**

- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Financial assets at amortised cost**

- These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Debt investments at FVOCI**

- These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Equity investments at FVOCI**

- These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets includes cash and cash equivalents, trade and other receivables and short term investment.

**a) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.


**b) Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

**c) Short-term investment**

Short-term investment consists of fixed deposits with original maturity of more than three months. The Company has the positive intent and ability to hold FDR to maturity, and such financial assets are carried as financial assets at





amortised cost. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

## **ii. Financial liability**

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings, finance lease obligation, accounts payables and other payables

### **a) Finance lease obligation**

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Incremental borrowing rate has been used to calculate the present value of minimum lease payments.

### **b) Loans and borrowings**

Principal amounts of the loans and borrowings are stated at their amortised amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

### **c) Trade and other payables**

The Company recognises a trade and intercompany payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

## **3.5 IMPAIRMENT OF FINANCIAL ASSETS**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

### **a) Financial assets**

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.





The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The Company measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Company's historical experience and informed credit assessment and including forward-looking information.

BPML considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by BPML to actions such as realising security (if any is held).

#### *Measurement of Expected Credit Losses (ECL)*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### *b) Non-financial assets*

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

### **3.6 INVENTORIES**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-process, cost includes an appropriate share of production overheads based on normal operation capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventory losses and abnormal losses are recognized as expenses. Basis for valuation of inventories are as under:

Category	Basis of valuation
<b>Finished goods and Work-in-process</b>	At the lower of cost and net realizable value. The cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.
<b>Raw and packing materials</b>	At the lower of cost and net realizable value.





<b>Stores and spares</b>	At the lower of weighted average cost and net realizable value.
<b>Materials and stores in-transit</b>	At cost including related charges.

### 3.7 CAPITAL WORK-IN-PROGRESS

Capital work-in-progress is recorded at cost to the extent of expenditure incurred up to the date of statements of Financial Position. Upon completion of construction, the cost of such assets together with the cost directly attributable to construction, including capitalised borrowing costs are transferred to the respective class of asset. No depreciation is charged on capital work in progress.

### 3.8 PROVISION

Provisions are recognized in the statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 3.9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS AND COMMITMENTS

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date. Contingent assets are not recognized or disclosed in these financial statements. Details are given in note no. # 38.

### 3.10 INCOME TAX EXPENSES

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### 3.10.1 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. The applicable tax rate for the company is 25% (2018-2019: 25%). Provision for taxation has been made on the basis of the Finance Act, 2020.

#### 3.10.2 Deferred Tax

Deferred tax is recognized using the balance sheet method. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions 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 balance sheet. 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. The Company recognized deferred tax on temporary difference arose from depreciation on property, plant & equipment, difference for vehicle, intangible assets and pre-operating expenses.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.



A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.11 EMPLOYEE BENEFIT

#### 3.11.1 Defined contribution plan (provident fund)

Defined contribution plan is a post-employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognized Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognized by the National Board of Revenue (NBR) vide Letter No. **ভবিষ্যৎসঞ্চয়(বসুন্ধরা)/গৃকইউ/২০১৫-২০১৬/২৩১২(৩)** dated 29 February 2016.

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

#### 3.11.2 Defined benefit plan (gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees. This fund is recognized by the National Board of Revenue (NBR) vide **স্মারক নং-০৮.০১.০০০০.০৩৫.০২.০০২২.২০১৭/৭৫** তারিখঃ **০৭/০৯/২০১৭** খ্রিঃ. The net defined benefit liability (asset) is made up of:

- the present value of defined benefit obligation; less
- the fair value of plan assets; adjusted for
- any effect of limiting a net defined benefit asset to the asset ceiling.

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary. The Company calculated the provisions for maximum exposures as at the reporting date for all eligible employees. Gratuity payable at the end of each year is determined on the basis of following rules and regulations of the company:

Service length (Years)	Payment basis
0 < 10	Nil
10	30 days basic salary/ wages for every completed year of service
>10	45 days basic salary/ wages for every completed year of service

The expected cost of this benefit is included in respective annual statement of profit or loss and other comprehensive income over the period of employment.

#### 3.11.3 Group insurance scheme

The Company operates a group insurance scheme for its permanent employees. Insurance premium is being charged to statement of profit or loss and other comprehensive income.

#### 3.11.4 Short-term employee Benefits

Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

### 3.12 WORKERS' PROFIT PARTICIPATION AND WELFARE FUND

This is made in terms of section 234(1)(b) of Bangladesh Labour Law (Amendment) Act 2013, 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006.



### 3.13 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transactions date.

The monetary assets and liabilities, if any, denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. Exchange differences are charged off as revenue expenditure/ income in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates.

### 3.14 REVENUE RECOGNITION

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

#### 3.14.1 Sales of goods

Under IFRS 15, revenue will be recognised when a customer obtains control of the goods.

Revenue will be recognised for the contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made.

Based on the Company's assessment, the timing of revenue recognition from sale of goods are broadly similar. Therefore, the Company does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these sales.

#### 3.14.2 Rendering of services

Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Company sells the services in separate transactions.

Based on the Company's assessment, the fair value and the stand-alone selling prices of the services are broadly similar. Therefore, the Company does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these services.

#### 3.14.3 Construction contracts

Contract revenue currently includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When a claim or variation is recognised, the measure of contract progress or contract price is revised and the cumulative contract position is reassessed at each reporting date.

Under IFRS 15, claims and variations will be included in the contract accounting when they are approved.

The Company does not expect the application of IFRS 9 and IFRS 15 to have a significant impact on its financial statements.

The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation







Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

Interest income on bank deposits and short-term investments is recognized on accrual basis.  
Other income is recognized on receipt or due basis.

### 3.15 BORROWING COSTS

Interest and other incurred by the company in respect of borrowing of fund are recognized as expenses in the year in which they incurred unless the activities that are necessary to prepare the qualifying assets for its intended use are in progress. Finance expenses comprise interest expense on bank loan, finance lease and other borrowings. All borrowing costs are recognized in the statement of profit or loss and other comprehensive income using effective interest method. Expenses capitalized also include applicable borrowing cost considering the requirement of IAS 23: Borrowing Costs.

#### 3.15.1 Recognition

The company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. BPML recognises other borrowing costs as an expense in the year in which it incurs them.

#### 3.15.2 Borrowing Costs Eligible for Capitalization

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

To the extent that the company borrows funds specifically for the purpose of obtaining a qualifying asset, BPML determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any investment income on the temporary investment of those borrowings.

#### 3.15.3 Commencement of Capitalization

BPML begins capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the company first meets all of the following conditions:

- / it incurs expenditures for the asset;
  - / it incurs borrowing costs; and
  - / it undertakes activities that are necessary to prepare the asset for its intended use or sale. Cessation of capitalization
- BPML ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

### 3.16 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognized as share capital in equity when there is no contractual obligation to transfer cash or other financial assets.

### 3.17 DIVIDEND TO THE EQUITY HOLDERS

The Company recognises a liability to make cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 3.18 STATEMENT OF CASH FLOWS

Statement of Cash Flows has been prepared in accordance with International Accounting Standards IAS-7: Statement of Cash Flows". Cash flow from operating activities has been presented under direct method.



### 3.19 STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity has been prepared in accordance with International Accounting Standards IAS-1: Presentation of Financial Statements.

### 3.20 EARNINGS PER SHARE

The Company presents its basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

#### *Basic Earnings per Share (Numerator/Denominator)*

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders.

#### *No. of Ordinary shares (Denominator)*

This represents weighted average number of ordinary share outstanding during the year.

#### *Diluted Earnings per Share*

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

### 3.21 RELATED PARTY TRANSACTIONS

As per International Accounting Standards IAS-24: Related Party Disclosures, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties which have been given in note no. 41.00.

### 3.22 SEGMENT REPORTING

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment is based on business segments.

### 3.23 OFFSETTING

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

### 3.24 MATERIALITY AND AGGREGATION

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

### 3.25 GOING CONCERN

The Board of Directors are convinced after making appropriate enquiries at the time of approving the financial statements the company has adequate resources to carry out its operational existence for the foreseeable future. It is therefore appropriate to adopt going concern basis in preparing the financial statements.

The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, which is most unlikely though yet considering overall perspectives.

### 3.26 ACCRUAL BASIS OF ACCOUNTING

BPML prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since





the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

### 3.27 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

The effect of change in an accounting estimate shall be recognised prospectively by including it in profit or loss in:

- / the period of the change, if the change affects that period only; or
- / the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

Changes in accounting policies and material prior period errors shall be retrospectively corrected in the first financial statements authorized for issue after their discover by:

- / restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- / if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

### 3.28 RESPONSIBILITY FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

The Board of Directors is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994 and as per provision of "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standard Committee (IASC).

### 3.29 EVENTS AFTER REPORTING PERIOD

In compliance with the requirements of IAS-10: Events after the Reporting Period, post statement of financial position events that provide additional information about the company's position at the statement of financial position date are reflected in the financial statement and events after the statement of financial position date that are not adjusting event are disclosed in the notes when material.

### 3.30 COMPARATIVES, RECLASSIFICATION AND RESTATEMENT

3.30.1 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith;

3.30.2 Figures appearing in these accounts have been rounded off to the nearest taka;

3.30.3 Previous year's figures and account titles in the financial statements have been rearranged and reclassified, wherever necessary for the purpose of comparison, without, however, creating any impact on the profit and value of assets and liabilities as reported in the financial statements for the current year.





4.00 PROPERTY, PLANT AND EQUIPMENT	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>1. Based on Cost:</b>		
<b>A. Cost:</b>		
Opening Balance	15,239,687,497	10,005,200,142
Less: Transfer/ Disposal/ Reclassification during the year	(112,803,043)	(22,262,213)
Add: Addition during the year	3,141,744,959	5,256,749,567
<b>Closing Balance</b>	<b>18,268,629,413</b>	<b>15,239,687,497</b>
<b>B. Accumulated depreciation:</b>		
Opening Balance	4,532,244,778	3,639,499,101
Less: Transfer/ Disposal/ Reclassification during the year	(57,152,926)	(2,225,710)
Add: Charged during the year	938,939,130	894,971,387
<b>Closing Balance</b>	<b>5,414,030,981</b>	<b>4,532,244,778</b>
<b>C. Written down value on cost (A-B)</b>	<b>12,854,598,431</b>	<b>10,707,442,719</b>
<b>2. Based on Revaluation:</b>		
<b>A. Cost:</b>		
Opening Balance	2,848,337,977	2,848,337,977
Less: Transfer/ Disposal during the year	-	-
Add: Addition during the year	-	-
<b>Closing Balance</b>	<b>2,848,337,977</b>	<b>2,848,337,977</b>
<b>B. Accumulated depreciation:</b>		
Opening Balance	266,591,866	235,580,086
Less: Transfer/ Disposal during the year	-	-
Add: Charged during the year	28,568,477	31,011,778
<b>Closing Balance</b>	<b>295,160,343</b>	<b>266,591,865</b>
<b>C. Written down value on revaluation (A-B)</b>	<b>2,553,177,635</b>	<b>2,581,746,113</b>
<b>3. Written down value on cost and revaluation (1+2)</b>	<b>15,407,776,066</b>	<b>13,289,188,831</b>

Details of property, plant & equipment are shown in 'Annexure-A'

- 4.01 During the year management of the Company carried out a review of the recoverable amount of the manufacturing plant and other related assets. The review does not led to an impairment loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use. It also may mentioned here that no indication of impairment was determined in the year 2018-2019 as well.
- 4.02 The company has been availing long term lease facility against use of 18.7709 acres land from East West Property Development (Pvt.) Limited. All maintenance cost incurred during the year for the said land bear by BPML but rent or any other cost regarding the use of land has not been bear in current or prior year's as per decision of the both Companies management.
- 4.03 Depreciation begins when the asset is available for use and continues until the asset is derecognized.

5.00 INTANGIBLE ASSETS		
<b>A. Cost:</b>		
Opening Balance	189,627,705	189,627,705
Less: Transfer/ Disposal during the year	-	-
Add: Addition during the year	-	-
<b>Closing Balance</b>	<b>189,627,705</b>	<b>189,627,705</b>





	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>B. Accumulated amortization:</b>		
Opening Balance	22,829,378	15,213,651
Less: Transfer/ Disposal during the year	—	—
Add: Charged during the year	8,003,735	7,615,726
<b>Closing Balance</b>	<b>30,833,113</b>	<b>22,829,378</b>
<b>C. Written down value (A-B)</b>	<b>158,794,592</b>	<b>166,798,327</b>

Details of Intangible assets are shown in 'Annexure- B'

<b>6.00 RIGHT-OF-USE ASSETS</b>		
<b>A. Cost:</b>		
Opening Balance	—	—
Add: Reclassification on initial application of IFRS 16 as at 01 January 2019	111,791,600	—
Less: Addition during the year	—	—
<b>Closing Balance</b>	<b>111,791,600</b>	<b>—</b>
<b>B. Accumulated amortization:</b>		
Opening Balance	—	—
Add: Reclassification on initial application of IFRS 16 as at 01 January 2019	56,620,476	—
Add: Charged during the year	14,002,104	—
<b>Closing Balance</b>	<b>70,622,580</b>	<b>—</b>
<b>C. Written down value (A-B)</b>	<b>41,169,020</b>	<b>—</b>

Details of right of use of assets are shown in 'Annexure- C'

<b>7.00 CAPITAL WORK-IN-PROGRESS</b>		
<b>A. Plant and machinery:</b>		
Opening Balance	1,445,471,202	1,337,539,088
Add: Addition made during the year	2,618,610,970	3,498,593,574
Less: Adjustment/transfer to appropriate asset category	(3,118,444,425)	(3,390,661,461)
<b>Closing Balance</b>	<b>945,637,747</b>	<b>1,445,471,202</b>
<b>B. Factory building and other constructions:</b>		
Opening Balance	557,586,396	1,155,085,789
Add: Addition made during the year	489,091,262	752,436,887
Less: Adjustment/transfer to appropriate asset category	(675,622,435)	(1,349,936,279)
<b>Closing Balance</b>	<b>371,055,224</b>	<b>557,586,396</b>
<b>C. Intangible assets (SAP Software):</b>		
Opening Balance	5,703,750	—
Add: Addition made during the year	11,508,750	5,703,750
Less: Adjustment/transfer to appropriate asset category	(5,703,750)	—
<b>Closing Balance</b>	<b>11,508,750</b>	<b>5,703,750</b>
<b>D. Total (A+B+C)</b>	<b>1,328,201,720</b>	<b>2,008,761,348</b>

<b>8.00 INVESTMENT</b>		
Investment in shares (unquoted)	265,000,000	265,000,000
<b>Total</b>	<b>265,000,000</b>	<b>265,000,000</b>



8.01 This represents investments in 26,500,000 Ordinary Share @ Tk. 10/- each of Bashundhara Industrial Complex Limited, being sister concern of the company, is the owner of 6.63% shares of the company.

9.00 INVENTORIES	Amount in Taka	
	30-Jun-20	30-Jun-19
Raw material	3,806,453,628	2,749,515,772
Finished goods	1,205,490,807	1,404,133,797
Stores and spare parts	998,492,809	938,762,100
Work-in-process	1,182,430,158	1,249,774,443
Material in transit	271,875,000	1,524,214,090
<b>Total</b>	<b>7,464,742,402</b>	<b>7,866,400,203</b>

9.01 All stocks are good and it does not include any wastage and defective materials.

9.02 Management has been carried out a stock taking as on the close of the period and found all right in terms of quality

9.03 The cost of inventories recognized as an expense during the period in Statement of profit or loss and other comprehensive income .

9.04 Inventories are valued at lower of cost or net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale .

10.00 TRADE & OTHER RECEIVABLES		
Trade receivables	1,162,896,496	2,689,538,372
Other receivables	241,877,660	1,003,786,825
<b>Total</b>	<b>1,404,774,156</b>	<b>3,693,325,197</b>
<b>10.01 Trade receivables:</b>	<b>1,162,896,496</b>	<b>2,689,538,372</b>
Hygiene product	10,785,362	11,604,898
Paper product	709,175,185	2,097,834,873
Demy paper	(2,540,060)	(566,460)
Paper sack product	175,222,320	176,076,317
Tissue products	225,710,712	342,169,289
Export	44,542,978	62,419,456
<b>10.01 Other receivables:</b>	<b>241,877,660</b>	<b>1,003,786,825</b>
Bashundhara Industrial Complex Ltd.	336,593,134	518,598,596
Bashundhara Food & Beverage Industries Ltd.	1,680,701	1,680,701
Bashundhara Multi-Trading Ltd.	2,909,786	-
Bashundhara Amusement Park Ltd.	1,650,618	1,360,012
Bashundhara Glass Industries Ltd.	3,000	3,000
Bashundhara Paper Mills Ltd.-Staff Provident Fund	764,072	-
Sundorban Industrial Complex Ltd.	1,120,887	1,120,887
Bashundhara Multi-Paper Industries Ltd.	(204,159,343)	362,339,434
Bashundhara Industrial Economic Zone Ltd.	(910,678)	-
Cash incentive receivables	71,769,617	34,677,774
Interest receivable from FDR	-	68,506,421
East West Property Development (Pvt.) Ltd.	24,671,099	15,500,000
East West Media Group Ltd.	1,303,125	-
Pioneer Insurance Company Limited	4,481,643	-

10.03 Age of trade receivables that are past due but not impaired based on products basis are shown under:

30-Jun-20	0-90 days past due	90-180 days past due	Dues over 6 months	Total
Paper products	260,159,785	409,882,406	36,592,934	706,635,124
Tissue products	155,665,037	43,933,270	26,112,404	225,710,711
Hygiene products	2,429,122	1,133,798	7,222,442	10,785,362
Paper sack products	11,909,914	9,394,702	153,917,704	175,222,320
Export	40,201,744	8,970,577	(4,629,343)	44,542,978
<b>Total</b>	<b>470,365,601</b>	<b>473,314,754</b>	<b>219,216,141</b>	<b>1,162,896,496</b>





30-Jun-19	0-90 days past due	90-180 days past due	Dues over 6 months	Total
Paper products	782,589,522	976,083,210	338,595,681	2,097,268,413
Tissue products	274,703,324	65,433,407	2,032,558	342,169,289
Hygiene products	5,794,427	264,118	5,546,353	11,604,898
Paper sack products	26,676,888	103,628,479	45,770,950	176,076,317
Export	53,681,594	6,371,905	2,365,957	62,419,456
<b>Total</b>	<b>1,143,445,755</b>	<b>1,151,781,118</b>	<b>394,311,499</b>	<b>2,689,538,372</b>

10.04 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994		Amount in Taka	
		30-Jun-20	30-Jun-19
Maturity within 3 months		470,365,601	1,143,445,755
Maturity over 3 months but within 6 months		473,314,754	1,151,781,118
Maturity more than 6 months		219,216,141	394,311,499
<b>Total</b>		<b>1,162,896,496</b>	<b>2,689,538,372</b>
Debts considered Good & Secured		441,850,332	2,239,661,235
Debts considered Good without security		-	-
Debts considered doubtful & bad		-	-
Debts due by directors or other officers & staffs		-	-
Debts due from companies under same management		721,046,165	449,877,136
Maximum debt due by directors or officers & staffs at any time		-	-
<b>Total</b>		<b>1,162,896,496</b>	<b>2,689,538,372</b>

- 10.05 All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
- 10.06 There is no such trade receivable due by or to directors or other officers of the Company.
- 10.07 Management considered the receivables are collectable and thus no provision had been made for any receivable.

11.00 ADVANCES, DEPOSITS AND PREPAYMENTS			
<u>Advances:</u>			
Advance against advertisement		1,592,650	489,569
Advance against Legal and consultancy		3,180,000	2,580,000
Advance against insurance premium		412,214	1,108,770
Advance against land and land development	NOTE 11.08	55,801,339	55,801,339
Advance against motor vehicle		239,826	391,826
Advance against rental vehicle		-	755,000
Advance to employee		845,000	408,400
Advance to other expense		91,604,909	117,245,260
Advance to suppliers	NOTE 11.09	75,109,660	77,792,208
Advance Tax		29,768	-
SD current account		49,363	49,363
VAT current account	NOTE 11.10	19,146,264	11,091,163
<b>Total advance</b>		<b>248,010,994</b>	<b>267,712,897</b>
<u>Deposit:</u>			
Bank guarantee margin	NOTE 11.11	18,545,534	22,573,753
Deposit to Bangladesh Bank	NOTE 11.12	150,000,000	150,000,000
Deposit to Finance Lease		1,644,495	1,644,495
L/C margin deposit	NOTE 11.13	223,515,762	322,933,576
Security deposit	NOTE 11.14	67,238,379	64,504,163
<b>Total deposits</b>		<b>460,944,170</b>	<b>561,655,987</b>
<b>Total</b>		<b>708,955,164</b>	<b>829,368,883</b>







		Amount in Taka	
		30-Jun-20	30-Jun-19
11.01	These include dues realizable/adjustable within one year from the balance sheet date	192,209,655	211,911,558
11.02	These include aggregate amount due by, executives, managers, officers and staffs	845,000	408,400
11.03	The maximum aggregated amount due by executives, managers, officers and staffs of the company at the end of any month during the year	646,092	200,000
11.04	Advance recoverable in cash	845,000	408,400
11.05	Advance outstanding for a period exceeding six months	55,801,339	55,801,339
11.06	Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994		
	Advance, deposits & prepayments considered good & secured	707,464,072	828,760,483
	Advance, deposit & prepayments considered Good without security	-	-
	Advance, deposit & prepayments considered doubtful & bad	-	-
	Advance, deposit & prepayments due by directors or other officers & staffs	845,000	408,400
	Advance, deposit & prepayments due from companies under same management	-	-
	Maximum advance due by directors or officers & staffs at any time	646,092	200,000
<b>Total</b>		<b>708,955,164</b>	<b>829,368,883</b>

- 11.07 All advances and deposits amount are considered good and recoverable. There is no agreement amount due from directors or officers of the Company.
- 11.08 This represent advance paid for earth and sand filling and land purchase. The procured land will be transferred to PPE when the registration will be completed.
- 11.09 Advance to suppliers due to advances given to suppliers for packing materials, spare parts, construction materials etc.
- 11.10 The company has no pending current liability for VAT. VAT current account showed positive balance (advance payment) as of 30 June 2020.
- 11.11 This represents the guarantee margins with different banks against guarantee provided by them favoring suppliers and other parties.
- 11.12 Deposit to Bangladesh Bank represents amount of Tk. 150,000,000 (Fifteen Crore) paid in favour of the Government of the Peoples Republic of Bangladesh during the Care Taker Government. A writ petition (no # 8603 of 2009) was filed in this regard claiming the deposited money back in the High Court Division of the Hon'ble Supreme court of Bangladesh. The Hon'ble Court was satisfied and issued a Rule Nisi on 31.12.2009 calling upon the respondents including Bangladesh Bank to show cause as to why the claim of the respondent should not be declared to have been passed without lawful authority and why the respondents should not be directed to refund Tk. 15 crore in the bank account of BPML. The rule was made returnable within four weeks but the respondents did not return back within the stipulated time.

However, the respondents made a civil petition for leave to appeal (Ref: appealNo # 1174/2014) for stay operation of the judgment and order dated 29.08.2012 passed by High Court Division in Write Petition No. 8603 of 2009 till hearing of the leave petition by the Governor of Bangladesh Bank to Appellate Division of the Hon'ble Supreme Court. The Appellate Division of the Hon'ble Supreme Court granted the prayer of Bangladesh Bank and stays the order accordingly.

In the year 2017 the Supreme Court upheld the High Court verdict that asked the Government to return the said money collected during the army-led caretaker government. A four-member Supreme Court bench headed by chief Justice passed the order, after dismissing appeals of Bangladesh Bank challenging the HC verdict on March 16, 2017.





11.13 Break up of L/C margin deposit:		Amount in Taka	
		30-Jun-20	30-Jun-29
Shahjalal Islami Bank Ltd.		21,970,439	20,888,258
Bank Asia Ltd.		-	11,976,890
Social Islami Bank Ltd.		950,000	950,000
Standard Bank Ltd		17,430,723	12,832,202
IFIC Bank Ltd.		391,000	34,885,000
First Security Islami Bank Ltd.		43,458,109	28,345,000
Mercantile Bank Ltd.		20,852,000	1,423,000
South East Bank Ltd.		28,386,729	2,035,017
National Bank Ltd.		24,853,186	173,665,209
Trust Bank Ltd.		1,162,577	4,372,000
Al-Arafa Islami Bank Ltd.		64,061,000	31,561,000
		<b>223,515,762</b>	<b>322,933,576</b>

11.14 Break up of Security Deposit:		Amount in Taka	
Name of Company/ Party	Purpose	30-Jun-20	30-Jun-19
Titas Gas Co. Ltd.	Supply of GAS	53,677,567	53,677,567
DESA	Supply of Electricity	3,600,000	3,600,000
BTCL	Telephone line	125,000	125,000
Rent-A-Car	Transport support	152,000	152,000
Narayanganj Polli Bidyut Samity	Supply of Electricity	534,000	534,000
Comilla polly Biddut Samity-1	Supply of Electricity	2,534,400	2,534,400
CSD Filling Station	Gas filling for vehicle	75,000	75,000
Bangladesh Oxygen Ltd.	Supply of Oxygen	40,000	40,000
Telecommunication	Using sim card	-	1,000
Abdul Goffur Bhuiyan	Office Rent	-	500,000
Pacific Bangladesh Telecom Limited	Telecom Service	2,500	2,500
Ansar & VDP Munshigonj	Security Service	490,134	490,134
Aktel	Mobile Service	82,062	82,062
Different Institution	Tender purpose	5,925,716	2,690,500
<b>Total</b>		<b>67,238,379</b>	<b>64,504,163</b>

12.00 ADVANCE INCOME TAX		
<b>Opening balance</b>	<b>374,697,109</b>	<b>548,937,062</b>
<b>Add: addition during the year, on:</b>	<b>109,262,362</b>	<b>70,831,934</b>
Import of raw materials and machineries	54,435,601	40,287,970
Interest income	1,343,433	773,699
Sales	47,897,387	25,257,011
License, renewal and registration	3,514,000	3,330,000
Others	2,071,941	1,183,253
Less: adjusted during the year	-	(245,071,887)
<b>Closing balance</b>	<b>483,959,471</b>	<b>374,697,109</b>

- 12.01 Advance income tax paid during the year represents income tax deducted by customs authority on purchase of raw materials, tax deducted by customers on bill for goods and service supply, tax deducted at source from export sales, tax deducted at source from interest income etc.
- 12.02 Advance income tax paid will be setoff with provision for corporate tax to comply with IAS1 and IAS12 as and when the assessment is completed.

13.00 INTER COMPANY CURRENT ACCOUNT		
Bashundhara Airways Ltd.	157,671,902	155,665,588
Bashundhara Amusement Park Ltd.	21,197,872	18,628,585
Bashundhara Cement Industries Ltd.	2,518,436	12,318,436
Bashundhara Infrastructure Development Ltd.	3,281,222	3,281,222
Bashundhara Food & Beverage Industries Ltd.	4,065,831	18,965,831





Bashundhara Fine Paper Mills Ltd.	800,000	800,000
Bashundhara Industrial Complex Ltd.	(164,966,492)	(118,506,492)
Bashundhara Glass Industries Ltd.	1,371,500	1,371,500
Bashundhara Industrial Economic Zone Ltd.	107,749,300	73,849,300
Bashundhara Multi-Paper Industries Ltd.	34,689,441	(108,009,373)
Bashundhara Multi Trading Ltd.	(5,243,150)	-
Bashundhara Steel & Engineering Ltd.	57,390,293	58,490,293
Bashundhara Chemical Industries Ltd.	(7,680,000)	(12,480,000)
East West Media Group Ltd.	140,228,346	139,422,265
Meghna Cement Mills Limited	54,363,621	54,363,621
Toggi Services Ltd.	72,300,000	52,300,000
Toggi Real Estate & Construction Ltd.	1,250,000	1,250,000
Sundarban Industrial Complex Ltd.	7,367,465	4,340,289
<b>Total</b>	<b>488,355,587</b>	<b>356,051,064</b>

- 13.01 Inter company receivables/ (payables) represents short term financial facility arrangements availed from/ given to its sister companies. Similarly the company has payables to its sister concerns an amount of Tk. 691,738,143 (Ref: Note: 22).
- 13.02 All receivables/ (payables) will be realized/ paid shortly.

#### 14.00 CASH AND BANK EQUIVALENTS

For the purposes of the statement of cash flows, cash and bank equivalents include cash on hand and in banks. Cash and bank equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash in hand	29,636,725	29,384,396
Investment in FDR	-	1,075,020,000
Bkash Account	12,000	-
Cash at bank	251,341,517	232,250,395
Current deposit	217,284,809	173,588,105
Short term bank deposits (STD)	34,056,707	58,662,290
<b>Cash and bank balances in the statement of cash flows</b>	<b>280,990,242</b>	<b>1,336,654,791</b>

All bank balances are reconciled with bank statements.

#### 15.00 SHARE CAPITAL

As per the disclosure requirements laid down in schedule under the rule 12(2) of the Securities and Exchange Rules 1987, the followings are the part and parcel of share capital:

	Amount in Taka	
	30-Jun-20	30-Jun-29
<b><u>Authorized share capital:</u></b>		
500,000,000 nos. ordinary shares of Taka 10 each.	5,000,000,000	5,000,000,000
<b><u>Issued, subscribed &amp; paid up:</u></b>		
173,791,441 nos. ordinary shares of Taka 10 each issued and fully paid-up in cash.	1,737,914,410	1,737,914,410
<b>Total</b>	<b>1,737,914,410</b>	<b>1,737,914,410</b>
<b>15.01 Movement of share capital:</b>		
<b>Opening balance</b>	<b>1,737,914,410</b>	<b>1,737,914,410</b>
Issuance of ordinary shares during the year	-	-
<b>Closing balance</b>	<b>1,737,914,410</b>	<b>1,737,914,410</b>





15.01 Movement of share capital:	Amount in Taka	
	30-Jun-20	30-Jun-29
Opening balance	1,737,914,410	1,737,914,410
Issuance of ordinary shares during the year	-	-
<b>Closing balance</b>	<b>1,737,914,410</b>	<b>1,737,914,410</b>

#### 15.02.1 Position of shareholding

Name of shareholders	30-Jun-20		30-Jun-20	
	Nos. of Shares	Percentages of holdings	Nos. of Shares	Percentages of holdings
Mr. Ahmed Akbar Sobhan	4,000,000	2.30%	4,000,000	2.30%
Mrs. Afroza Begum	5,885,200	3.39%	5,885,200	3.39%
Mr. Sadat Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Shafiat Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Sayem Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Safwan Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Md. Imrul Hassan	4,002,000	2.30%	4,002,000	2.30%
East West Property Development (Pvt.) Ltd. Represented by-Mr. Md. Nazmul Alam Bhuiyan	101,050,575	58.14%	101,050,575	58.14%
General public and institutions	26,041,666	14.98%	26,041,666	14.98%
<b>Total</b>	<b>173,791,441</b>	<b>100%</b>	<b>173,791,441</b>	<b>100%</b>

#### 15.02.2 Classification of shareholder's by holding range

	No of Share holders		No of shares	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
1-500 shares	10,990	12,582	1,488,280	1,715,224
501 to 5,000 shares	3,431	3,845	6,183,233	6,760,033
5,001 to 10,000 shares	402	406	2,968,122	2,975,198
10,001 to 20,000 shares	211	236	2,975,638	3,325,912
20,001 to 30,000 shares	91	92	2,228,692	2,171,206
30,001 to 40,000 shares	24	27	819,454	916,993
40,001 to 50,000 shares	24	27	1,096,164	1,218,565
50,001 to 100,000 shares	31	36	2,214,559	2,598,112
100,001 to 1,000,000 shares	30	23	6,067,524	4,360,423
1,000,001 to 1,000,000,000 shares	7	7	147,749,775	147,749,775
<b>Total</b>	<b>15,241</b>	<b>17,281</b>	<b>173,791,441</b>	<b>173,791,441</b>

#### 16.00 SHARE PREMIUM

Opening Balance	1,739,583,292	1,739,583,292
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
<b>Closing Balance</b>	<b>1,739,583,292</b>	<b>1,739,583,292</b>

16.01 In the year 2017-18 the Company issued 26,041,666 ordinary shares, from which 60% i.e. 15,625,000 ordinary shares for Eligible Investors (EIs) at cut-off price of Tk.80.00 at a premium Tk.70 and remaining 40% i.e. 10,416,667 ordinary shares at a 0% discounted from the cut-off price of Tk. 72.00 per share at a premium Tk. 62 for General Public including NRB and Others totaling Tk. 2,000,000,000 (approx.)





17.00 REVALUATION RESERVE		Amount in Taka	
		30-Jun-20	30-Jun-19
Opening Balance		2,092,726,250	2,112,514,322
Add: Increase arising on revaluation of properties		-	-
Less: Transferred to retained earnings		(19,781,027)	(19,788,072)
<b>Closing Balance</b>		<b>2,072,945,223</b>	<b>2,092,726,250</b>

18.00 RETAINED EARNINGS			
Opening balance		1,910,028,348	1,959,489,520
Add: Profit attributable to the owners of the Company		285,836,735	291,848,486
Transferred from properties revaluation reserve		19,781,027	19,788,072
Less: Adjustment for current tax of prior years		-	(13,514,849)
Payment of dividend		(39,062,499)	(347,582,882)
<b>Closing balance</b>		<b>2,176,583,611</b>	<b>1,910,028,348</b>

19.00 LONG TERM BORROWINGS			
Project Loan		507,281,520	606,111,135
Term loan		12,297,225,932	9,426,796,309
<b>Total Long Term borrowings</b>		<b>12,804,507,452</b>	<b>10,032,907,444</b>
Less: Current portion of long term borrowings		(1,826,519,851)	(1,635,247,853)
<b>Due after one year</b>		<b>10,977,987,601</b>	<b>8,397,659,591</b>

19.01 The details of bank loan arrangement is enumerated below:

Institution	Particulars	
Janta Bank Limited	Limit amount	Project: Tk. 117.71 Crore; Project Block: Tk. 5.81 crore; LTR & LTR Block : 45.34 Crore
	Purpose	To establish and support the project.
	Security	Project land at Sonargoan, Narayanganj and plant & machineries
	Interest rate	Fixed at respective contract dates.
	Mode of payment	Monthly installment
	Type of Facility	Project Loan
	Validity	30.06.2022
Mercantile Bank Limited	Limit amount	Term loan: Tk. 223.26 Crore
	Purpose	Importation of raw materials and spare parts
	Security	316.5 decimal of land at block-I, J&K of BRA & 14,431 sft. 9th floor of BCDL.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	10.10.2023
	Limit amount	Term Loan Tk. 99.76 Crore
Standard Bank Limited	Purpose	To retire import documents
	Security	33,177 sft of level 16th, 17th, 18th of BCDL
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term Loan
	Validity	31.10.2023
	Limit amount	Tk. 148.54 crore
	Purpose	To retire import documents.
Southeast Bank Limited	Security	78,848.27 sft of level 1-8 (78,848 sft.) of BCDL and 702.51 decimal of land at BRA.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	28.03.2023
	Limit amount	To retire import documents.
	Purpose	78,848.27 sft of level 1-8 (78,848 sft.) of BCDL and 702.51 decimal of land at BRA.
	Security	Fixed at respective contract dates.





Institution	Particulars	
BASIC Bank Limited	Limit amount	Term loan: Tk. 54.52 crore
	Purpose	To meet working capital requirements.
	Security	2,1160 acres of land at Bashundhara R/A.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	01.04.2022
IFIC Bank Limited	Limit amount	Term loan: Tk. 141.97 crore
	Purpose	To meet working capital requirements.
	Security	702.51 decimal of land at BRA and 78,848 sft of (8-11 office floor) at BCDL
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	30.06.2025
National Bank Limited	Limit amount	Term loan: Tk. 202.98 crore
	Purpose	To meet working capital requirements.
	Security	734.30 decimal of land at BRA and 1,195 decimal of land at Keranigonj.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	28.02.2024
Shahjalal Islami Bank Limited	Limit amount	HPSM: Tk. 86 crore
	Purpose	To meet working capital requirements
	Security	713.75 decimal of land at factory, 111.53 decimal of land at Khilkhet and 75.27 decimal land at Vatar.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	16.12.2022
First Security Islami Bank Limited	Limit amount	HPSM: Tk. 43 crore
	Purpose	To meet working capital requirements.
	Security	Post dated cheque of Tk. 43Cr., Hypothecation of 04 Nos. of generator, Corporate Guarantee.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	24.03.2024
Bank Asia Limited	Limit amount	Term Loan: Tk. 23.48 crore
	Purpose	To meet working capital requirements.
	Security	719.08 decimal of land at BRA
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	30.11.2020

20.00 LEASE LIABILITIES	Amount in Taka	
	30-Jun-20	30-Jun-19
Islamic Finance & Investment Ltd.	39,217,782	43,089,327
First Security Islami Bank Ltd.	410,186,979	-
GSP Finance Company (BD) Ltd.	41,445,722	101,109,292
<b>Total lease liabilities</b>	<b>490,850,484</b>	<b>144,198,619</b>
Less: Current portion of lease liabilities	(147,813,607)	(105,252,299)
<b>Due after one year</b>	<b>343,036,876</b>	<b>38,946,320</b>



20.01 Finance lease liabilities:

Particulars	30-Jun-20	30-Jun-19
Not later than one year	191,111,799	33,570,288
Later than one year but not later than five years	377,332,349	123,176,699
Later than five years	-	-
	<b>568,444,148</b>	<b>156,746,987</b>
Less: Future finance charge	(77,593,664)	(12,548,367)
<b>Present value of minimum lease payments</b>	<b>490,850,484</b>	<b>144,198,620</b>
<i>Included in the financial statements as:</i>		
current borrowings	147,813,607	105,252,299
non-current borrowings	343,036,877	38,946,321
<b>Total</b>	<b>490,850,485</b>	<b>144,198,620</b>

20.02 The details of finance lease arrangement is enumerated below:

Institution	Particulars	
Islamic Finance & Investment Limited	Limit amount	Tk. 5.13 crore
	Purpose	Machinery and vehicle.
	Security	Machinery and Vehicle title/ownership.
	Interest rate	Fixed at respective contract dates.
	Mode of payment	Monthly installment
	Type of Facility	Finance Lease
	Validity	20.03.2023
GSP Finance Company (BD) Ltd.	Limit amount	Tk. 25.15 crore
	Purpose	Machinery
	Security	Machinery title/ownership.
	Interest rate	Fixed at respective contract dates.
	Mode of payment	Monthly installment
	Type of Facility	Finance Lease
	Validity	25.10.2020

21.00 DEFERRED TAX (ASSETS) / LIABILITIES

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS12: Income Taxes. The following is the analysis of deferred tax (assets)/liabilities presented in the statement of financial position:

<b>Opening balance</b>		<b>1,076,753,353</b>	<b>957,392,014</b>
<b>Provided during the year:</b>		<b>112,372,044</b>	<b>119,361,339</b>
Deferred tax income		-	(75,485,710)
Deferred tax expense	NOTE 21.01	112,372,044	194,847,049
Adjustment made during the year		-	-
<b>Closing balance</b>		<b>1,189,125,397</b>	<b>1,076,753,353</b>

21.01 Temporary timing difference: As at June 30, 2020	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	12,726,022,925	(8,004,050,536)	4,721,972,390
Right-of-use assets	41,169,020	(33,767,634)	7,401,386
Intangible assets	158,794,592	(124,129,432)	34,665,160
Pre-operating expenses	-	(56,841,355)	(56,841,355)
Unused tax loss carry forward	-	(847,461,539)	(847,461,539)







Difference for vehicle	-	(4,271,954)	(4,271,954)
<b>Net taxable temporary difference</b>	<b>12,925,986,537</b>	<b>(9,070,522,450)</b>	<b>3,855,464,087</b>
Applicable tax rate			25%
<b>Deferred tax liability-30 June 2020</b>			<b>963,866,022</b>
<b>Deferred tax liability-30 June 2019</b>			<b>(851,493,978)</b>
<b>Deferred tax expense/ (income) for the year</b>			<b>112,372,044</b>

As at June 30, 2019	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	10,627,228,338	(6,882,986,673)	3,744,241,665
Intangible assets	166,798,327	(137,948,293)	28,850,034
Pre-operating expenses	-	(59,833,006)	(59,833,006)
Unused tax loss carry forward	-	(301,942,839)	(301,942,839)
Difference for vehicle	-	(5,339,942)	(5,339,942)
<b>Net taxable temporary difference</b>	<b>10,794,026,665</b>	<b>(7,388,050,753)</b>	<b>3,405,975,913</b>
Applicable tax rate			25%
<b>Deferred tax liability-30 June 2019</b>			<b>851,493,978</b>
<b>Less: Deferred tax liability-30 June 2018</b>			<b>(732,132,639)</b>
<b>Deferred tax expense/ (income) for the year</b>			<b>119,361,339</b>

## 21.02 Deferred tax (assets)/ liabilities in relation to:

Year	Particulars	Opening balance	Recognized in profit & loss	Recognized in Other Comprehensive Income	Closing balance
30-Jun-20	Property, plant & equipment	936,060,415	244,432,681	-	1,180,493,096
	Difference for vehicle	(1,334,986)	266,997	-	(1,067,988)
	Intangible assets	7,212,509	1,453,781	-	8,666,290
	Pre-operating expenses	(14,958,251)	747,913	-	(14,210,338)
	Unused tax loss	(75,485,710)	(136,379,675)	-	(211,865,385)
	Right-of-use assets	-	1,850,347	-	1,850,347
	Revaluation	225,259,375	-	-	225,259,375
	<b>Total</b>	<b>1,076,753,353</b>	<b>112,372,044</b>	<b>-</b>	<b>1,189,125,396</b>
30-Jun-19	Property, plant & equipment	744,275,706	191,784,709	-	936,060,415
	Difference for vehicle*	(1,668,732)	333,746	-	(1,334,986)
	Intangible assets	5,271,192	1,941,317	-	7,212,509
	Pre-operating expenses	(15,745,527)	787,276	-	(14,958,251)
	Unused tax loss	-	(75,485,710)	-	(75,485,710)
	Revaluation	225,259,375	-	-	225,259,375
	<b>Total</b>	<b>957,392,014</b>	<b>119,361,339</b>	<b>-</b>	<b>1,076,753,353</b>

## 21.03 Difference for vehicle

This represents the permanent difference related to sedans cars, not plying for hire, owned by Bashundhara Paper Mills Limited. As per the provision of Income Tax Ordinance 1984, depreciation on such cars is allowed only up to certain limit of cost (currently Tk. 2,500,000 per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.





22.00 INTERCOMPANY PAYABLE		Amount in Taka	
		30-Jun-20	30-Jun-19
East West Property Development (Pvt.) Ltd.		500,991,777	489,367,285
Bashundhara LP Gas Ltd.		190,746,366	190,746,366
<b>Total</b>		<b>691,738,143</b>	<b>680,113,651</b>
<b>23.00 LONG TERM BORROWINGS-CURRENT PORTION</b>			
Bank loan		1,826,519,851	1,635,247,853
Finance Lease obligation		147,813,607	105,252,299
<b>Total</b>		<b>1,974,333,458</b>	<b>1,740,500,152</b>

23.01 This represents the amount will be payable in the next financial year was made in accordance with Para 60(b) of IAS-1: "Presentation of Financial Statements".

24.00 SHORT TERM BORROWINGS		
Cash Credit	1,060,021,437	2,315,475,866
Bai Murabaha	333,595,703	324,642,550
Force/ UPAS/Time/ Demand loan	1,166,096,413	5,236,933,514
LTR	566,908,822	207,179,047
	<b>3,126,622,374</b>	<b>8,084,230,977</b>

#### 24.01 Short term credit facilities available as at June 30, 2020:

The Company enjoys both funded and non funded short term working capital facilities. The non funded facilities include Letters of Credit(L/C), Letters of Guarantee. The funded facilities include overdraft facility, short term loan and import loan. The limit, purpose and security details of short term bank overdraft arrangement is enumerated below:

Name of Bank	Particulars	
Agrani Bank Limited	Limit amount	CC: Tk. 30 Crore; L/C: Tk.70 crore
	Purpose	To meet working capital requirements.
	Security	7.6220 acres of project land at Meghnaghat, Sonargoan, Narayan-ganj & Plant & Machineries.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Cash Credit (CC) & L/C
	Validity	31.03.2021
National Bank Limited	Limit amount	LTR: Tk. 50 Crore; L/C Tk. 450 crore
	Purpose	To meet working capital requirements
	Security	i) 1195.69 decimal of land from BRP ii) Hypothecation of stock iii) 734.30 decimal of land from BRA.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	CC (Hypo) LTR & L/C
	Validity	28.02.2021
Bank Asia Ltd.	Limit amount	OD: Tk. 15 Crore; LTR: Tk. 18 crore; L/C: Tk. 60 crore
	Purpose	To meet working capital requirements.
	Security	i) 719.08 decimal of land at BRA. ii) Hypothecation of stock.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	LTR, Demand Loan & L/C, OD
	Validity	30.12.2020
Shahjalal Islami Bank Ltd.	Limit amount	LTR: Tk. 30 crore; Bank Guarantee: Tk. 5 crore; L/C: Tk. 50 crore.
	Purpose	To meet working capital requirements. Capital machinery purchase.
	Security	713.75 decimal of land at factory, 111.53 decimal of land at Khilkhet and 75.27 decimal land at Vatara.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Bai-Muazzal (TR); WES Bill L/C, Bank Guarantee & LTR
	Validity	31.07.2021





Name of Bank	Particulars	
Janata Bank Limited	Limit amount	CC (Hypo): Tk. 56 crore; L/C: Tk. 22 Crore
	Purpose	To meet working capital requirements.
	Security	Hypothecation of stock; 7.3775 acres of project land at Anarpura, Gazaria, Munshigonj, 846.66 decimal land at BRA; 1,396.50 decimal of land at factory and Stock under pledge godown.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	CC Hypo, LTR and L/C.
	Validity	15.12.2020
Southeast Bank Limited	Limit amount	LTR: Tk. 160 crore; L/C (Sight/UPAS/ Deferred) Tk.525Crore; BG: 50 crore and FDBP: 50 crore.
	Purpose	To retirement of shipping documents/ import of capital machinery.
	Security	78,848.27 sft of level 1-8 (78,848 sft.) of BCDL and 702.51 decimal of land at BRA.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	LTR, BG, FDBP & L/C
	Validity	31.05.2021
Standard Bank Limited	Limit amount	Tk. 200 Crore
	Purpose	To retire import documents.
	Security	33,177 sft of level 16th, 17th, 18th of BCDL.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C
	Validity	31.05.2021
Social Islami Bank Limited	Limit amount	L/C: Tk. 350 Crore, Bai Muazzal Tk.115 Crore
	Purpose	To meet working capital requirements.
	Security	116.52 decimal of land at BRA.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C & Force Loan
	Validity	31.08.2020
IFIC Bank Limited	Limit amount	L/C: Tk. 200 Crore & BG: Tk. 5 Crore
	Purpose	To meet working capital requirements.
	Security	22,100 sft 11th & 19th floor of BCDL.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C , Force Loan & BG
	Validity	31.01.2021
First Security Islami Bank Limited	Limit amount	L/C: Tk. 220 Crore.& OD: Tk. 30 Crore
	Purpose	Importation of raw materials.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C
	Validity	31.07.2021
Mercantile Bank Limited	Limit amount	L/C: Tk. 300 Crore; OD: Tk. 10 crore; BG: Tk. 1 crore
	Purpose	Importation of raw materials and spare parts.
	Security	316.50 decimal of land at BRA & Level 9 (14,431sft.) of BCDL.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C, OD & BG
	Validity	31.10.2020
Rupali Bank Limited	Limit amount	L/C: Tk. 75 Crore
	Purpose	Importation of raw materials and spare parts.
	Security	277.44 decimal of land at BRA
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C
	Validity	29.08.2020





25.00 TRADE AND OTHER PAYABLES		Amount in Taka	
		30-Jun-20	30-Jun-19
Trade Payable	NOTE 25.01	726,395,237	1,416,588,233
Other Payable	NOTE 25.02	849,862,711	880,125,262
<b>Total</b>		<b>1,576,257,948</b>	<b>2,296,713,495</b>
<b>25.01 Trade Payables</b>			
Unit - 1		292,394,337	810,016,982
Unit - 2		67,774,721	176,179,816
Unit - 3		366,226,178	430,391,435
<b>Total</b>		<b>726,395,237</b>	<b>1,416,588,233</b>

- 25.1.1 This represents amount payable to regular suppliers of raw materials, chemicals, packing materials, spare parts etc. All suppliers were paid on a regular basis. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.
- 25.1.2 The carrying values of trade payables are considered to be a reasonable approximation of fair value.

25.02 Other Payable		
East West Media Group Ltd.	-	35,721,783
Payable for advertisement	70,312,207	68,837,749
Payable for C & F bill	26,104,464	26,071,299
Payable for constructions expenses	-	-
Payable for consultancy	367,500	484,500
Payable for director remuneration	1,435,909	3,150,000
Payable for expenses	10,113,457	55,492,114
Payable for insurance premium	4,343,295	4,217,784
Payable for motor vehicle	840,036	3,192,300
Payable for office rent	1,843,250	2,883,450
Payable for provident fund	3,443,108	2,624,782
Payable for tax & VAT at source	12,786,804	18,428,571
Payable for VAT	7,008,501	-
Payable for transportation	331,751	689,811
Payable for workers' profit participation & welfare fund	NOTE 34.00	74,805,337
Payable to carrying contractor	46,032,558	36,018,363
Payable to contractors	3,862,901	3,862,901
Payable for Electric bill	1,159,755	1,913,464
Payable for Gas bill	119,572,025	66,761,406
Payable for Labor & wages	33,492,684	38,955,912
Payable for Salary and allowances	124,617,556	126,530,266
Dividend Account-Unclaimed Portion	302,374,119	296,612,253
Unclaimed Subscription	315,494	343,787
Security deposit payable	4,700,000	5,000,000
<b>Total</b>	<b>849,862,711</b>	<b>880,125,262</b>

- 25.2.1 All accrued expenses are paid on regular basis.
- 25.2.2 Liabilities have arisen in the continuous process in course of business transactions and are either payable or adjustable within very shortly from date of the Financial Position.
- 25.2.3 Salary and allowances for the month of June 2020 has been paid in subsequent month.
- 25.2.4 All the utility bills like gas, electricity and others for the month of June 2020 has been paid to the subsequent month.





26.00 PROVISION FOR EXPENSES	Amount in Taka	
	30-Jun-20	30-Jun-19
Audit fees	270,000	225,000
Other expense	109,808,848	119,691,430
Finance Lease charges	-	2,031,821
Gas bill	-	3,895,822
<b>Total</b>	<b>110,078,848</b>	<b>125,844,073</b>
<b>27.00 INCOME TAX PROVISION</b>		
Opening balance	265,231,842	430,553,349
Add: Current tax expense in respect of the current year	51,279,394	66,235,531
Less: Adjustment made during the year	-	(231,557,038)
<b>Closing balance</b>	<b>316,511,236</b>	<b>265,231,842</b>

#### 27.01 Income tax adjustment of prior years

Income Year	Income Tax as per Accounts	Income Tax as per Assessment	Adjustment made		
			(Over)/under provision adjusted with retained earnings	AIT	Income tax provision
2017-2016	231,557,038	245,071,887	13,514,849	245,071,887	231,557,038
<b>Total</b>	<b>231,557,038</b>	<b>245,071,887</b>	<b>13,514,849</b>	<b>245,071,887</b>	<b>231,557,038</b>

#### 27.02 Provision for Current Tax of the Company are as under:

Accounting year	Assessment year	Assessment Under Section of ITO 1984	Status	Tax Demand/ (Refundable)	Cumulative provision for current tax
2018-2019	2019-2020	83(2)	Assessment is underway	448,449	265,231,841
2017-2018	2018-2019	83(2)/156	Assessment is not Completed	(6,705,157)	430,553,348

28.00 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross Sales	8,283,211,263	11,055,188,942
VAT	(448,713,657)	(435,504,614)
SD	(28,307,975)	(13,578,382)
<b>Sales Local</b>	<b>7,806,189,631</b>	<b>10,606,105,946</b>
Sales Export	738,273,857	433,020,634
<b>Total</b>	<b>8,544,463,487</b>	<b>11,039,126,581</b>

#### 28.01 Segment revenues:

The following is an analysis of the Company's revenue including export sales from operations of its major products and services by reportable segment for the year ended June 30, 2020 excluding VAT:

Products	UNIT-1	UNIT-2	UNIT-3	Total
Paper product	2,415,690,968	942,037,566	1,482,074,657	4,839,803,191
Tissue product	312,095,097	-	1,870,776,568	2,182,871,665
Paper Sack product	73,761,676	-	-	73,761,676
Mosquito Coil	5,197,100	-	38,338,633	43,535,733
Hygiene product	-	-	1,143,238,997	1,143,238,997
<b>Local Sales</b>	<b>2,806,744,840</b>	<b>942,037,566</b>	<b>4,534,428,857</b>	<b>8,283,211,263</b>
Export Sales	605,919,010	-	132,354,847	738,273,857
<b>Total</b>	<b>3,412,663,850</b>	<b>942,037,566</b>	<b>4,666,783,704</b>	<b>9,021,485,119</b>





28.02 Revenue from export	In USD (\$)		In BDT	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
Paper product	1,676,382	2,588,986	142,241,013	218,769,291
Tissue paper product	7,010,298	2,530,127	594,823,800	213,795,745
Hygiene product	14,249	5,392	1,209,043	455,598
<b>Total</b>	<b>8,700,929</b>	<b>5,124,505</b>	<b>738,273,857</b>	<b>433,020,634</b>

Proceeds from export sales are recognized in net off balance received through bank. Export Gain/ Loss on foreign currency transactions are considered on realized basis.

29.00 COST OF SALES		Amount in Taka	
		30-Jun-20	30-Jun-19
Opening stock of finished goods		1,404,133,797	1,012,008,949
Add: Cost of goods manufactured	NOTE 29.01	6,468,234,882	9,332,492,347
<b>Cost of goods available for sale</b>		<b>7,872,368,678</b>	<b>10,344,501,295</b>
Less: Closing stock of finished goods		(1,205,490,807)	(1,404,133,797)
<b>Cost of Sales</b>		<b>6,666,877,871</b>	<b>8,940,367,498</b>
<b>29.01 Cost of goods manufactured</b>			
<b>Material Consumption</b>		<b>3,721,043,685</b>	<b>7,105,401,897</b>
Opening stock		2,749,515,772	2,623,923,219
Add: Purchase during the year		4,777,981,541	7,230,994,450
Less: Closing stock		(3,806,453,628)	(2,749,515,772)
<b>Factory overhead</b>		<b>2,679,846,912</b>	<b>2,701,840,983</b>
Salary and allowances		658,279,302	619,666,022
Gas bill		714,155,879	494,281,322
Electricity bill		15,519,838	21,301,250
Labour and wages		161,581,186	408,981,333
Repair and maintenance		147,852,101	159,761,187
Other direct expenses	NOTE 29.1.1	50,024,381	118,165,859
Depreciation	Annex-A	932,434,226	879,684,007
<b>Add: Opening work in process</b>		<b>1,249,774,443</b>	<b>775,023,910</b>
<b>Less: Closing work in process</b>		<b>(1,182,430,158)</b>	<b>(1,249,774,443)</b>
<b>Total</b>		<b>6,468,234,882</b>	<b>9,332,492,347</b>
<b>29.1.1 Other direct expenses</b>			
Carriage inwards		1,971,496	3,684,051
Conveyance		770,990	1,585,938
Entertainment		1,962,417	2,293,303
License, renewal and registration		2,217,803	944,214
Office expense		1,567,794	4,660,068
Office repair & maintenance		344,700	243,660
Oil, fuel, CNG & lubricant		29,690,102	88,746,487
Company's contribution to PF		5,678,672	9,593,082
Inspection & consultancy		-	900,000
Postage, telephone and fax		2,007,469	2,194,736
Rent, rates & taxes		2,591,255	2,451,499
Stationery		104,812	68,122
Utility bill		1,116,870	800,699
<b>Total</b>		<b>50,024,380</b>	<b>118,165,859</b>





## 29.02 Analysis of materials consumed

Category	Unit	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
		Quantity		Value	
Waste Paper & Pulp	MT	104,915	82,696	3,179,754,801	5,904,972,556
Chemicals	MT	4,456	4,156	487,802,439	579,378,509
Packing materials	Various	-	-	53,486,444	621,050,831
<b>Total</b>		<b>109,371</b>	<b>86,852</b>	<b>3,721,043,684</b>	<b>7,105,401,897</b>

## 29.03 Quantitative details of raw materials

Description	Unit	Opening Stock	Purchase	Consumption	Closing Stock
30-Jun-20					
Waste Paper & Pulp	MT	37,424	86,682	104,915	19,192
Chemicals	MT	4,048	5,777	4,456	5,369

Description	Unit	Opening Stock	Purchase	Consumption	Closing Stock
30-Jun-19					
Waste Paper & Pulp	MT	27,796	92,324	82,696	37,424
Chemicals	MT	3,347	4,857	4,156	4,048

*\*\*Packing materials quantities are not given due to its units are different like Pkt, Pcs, MT, Kgs etc.*

## 29.04 Quantitative details of finished goods

Description	Unit	Opening Stock	Purchase	Sales	Closing Stock
30-Jun-20					
White writing & printing	MT	4,246	18,299	20,402	2,143
Bidi paper	MT	11	1,426	1,356	80
BBS	MT	844	5,456	5,408	891
Coated paper	MT	554	6,953	7,419	88
Newsprint	MT	162	25,569	25,645	85
Carbon less coating paper	MT	112	2,577	2,611	78
Glassine paper/Color/Ledger	MT	136	-	13	-
Liner Paper	MT	58	2,213	1,771	499
White Liner Paper	MT	27	37	52	12
Packaging Paper	MT	32	3,391	3,116	308
Simplex Paper	MT	-	0.05	0.05	-
Sludge Board	MT	-	206	206	-
Duplex Board	MT	32	56	88	-
Paper Sack	MT	91	543	543	91
Tissue product	MT	1,284	30,794	30,531	1,546.56
Monalisa Sanitary Napkin	KG	86,117	62,508	115,805	32,820
Tooth pick, cotton buds, straw etc	PKT	4,584	69,077	67,654	6,007
Baby Diaper	KG	84,349	77,415	133,357	28,407
Baby Diaper loose	KG	6,647	26,391	27,664	5,374
Baby Diapant	KG	111,647	2,819,337	2,566,394	364,590
Baby wet wipes	KG	19,219	448,520	429,644	38,095
Wet Tissue	PKT	16,559	10,296	16,855	10,000
Hand Gloves	PKT	10,502	-	-	10,502
Feeding Bottle	PKT	-	1,180,300	1,122,888	57,412
Xtreme Mosquito Coil	PCS	53,889	1,938,912	1,887,880	104,921







Description	Unit	Opening Stock	Production	Sales	Closing Stock
30-Jun-19					
White writing & printing	MT	3,474	19,475	18,702	4,247
Bidi paper	MT	26	1,226	1,241	11
BBS	MT	786	3,310	3,253	844
Coated paper	MT	891	6,365	6,702	553
Newsprint	MT	53	9,453	9,345	162
Carbon less coating paper	MT	83	1,918	1,889	112
Glassine paper/Color/Ledger	MT	-	198	62	-
Liner Paper	MT	246	368	556	58
White Liner Paper	MT	38	1	12	27
Packaging Paper	-	66	244	279	32
Simplex Paper	-	-	8	8	-
Sludge Board	MT	-	42	42	-
Duplex Board	MT	32	41	41	32
Tissue product	MT	1,228	17,746	17,684	1,290.00
Paper Sack	Pcs.	50,000	3,293,275	3,268,275	75,000
PP Woven Bag	Pcs.	-	-	-	-
Monalisa Sanitary Napkin	Pkt.	809,957	487,976	666,798	631,135
Tooth pick, cotton buds, straw	-	768	351,376	293,671	58,473
Baby Diaper	Pkt.	140,327	843,323	737,263	246,387
	Pcs.	366,075	727,105	896,678	196,502
Baby Diapant	Pkt.	221,615	4,431,177	4,334,301	318,491
Baby wet wipes	Cont.	37,133	428,842	398,623	67,352
Wet Tissue	PKT	5,184	318,488	307,113	16,559
Hand Gloves	Box	18,478	19,528	27,504	10,502

30.00 OTHER INCOME	Amount in Taka	
	30-Jun-20	30-Jun-19
Scrap sales & other recoveries	40,062	128,575
Cash Incentive	71,647,281	53,132,985
Other Income	764,072	-
Interest income	2,062,165	76,375,672
<b>Total</b>	<b>74,513,580</b>	<b>129,637,231</b>

31.00 ADMINISTRATIVE EXPENSES		
	30-Jun-20	30-Jun-19
Audit fee	437,000	523,250
Credit Ratings Fees	322,500	321,000
Salaries and allowances	185,407,767	185,368,324
Director remuneration	17,500,000	28,500,000
Entertainment	3,042,105	4,550,272
Insurance premium	19,464,249	23,451,202
Advisory, legal and consultancy	61,061	464,600
License, renewal and registration	3,242,192	6,434,615
Corporate and Social responsibility expenses	14,214,266	13,929,696
Rent and rates	9,334,350	10,800,000
Office repair and maintenance	7,952,457	12,893,675
IT & computer expense	312,121	376,161
IPO Expense	-	6,400,000
Annual General Meeting expense	1,510,377	2,890,070
Incidental loss of assets destroyed by fire	5,382,147	-
Postage, telegram and fax	1,129,886	1,399,087





		Amount in Taka	
		30-Jun-20	30-Jun-19
Company's contribution to PF		7,371,646	7,681,972
Stationery		1,189,534	443,948
Telecommunication expense		6,460,723	8,992,551
Travelling and Conveyance		2,268,672	3,079,847
Utilities		6,865,230	7,299,278
Vehicle running and maintenance		3,773,601	4,863,823
Vehicle oil, fuel & lubricant		5,933,283	7,380,810
Vehicle rent		-	907,880
Depreciation	Annex.-A & C	49,075,486	46,299,158
Amortisation of intangible assets	Annex.-B	8,003,735	7,615,726
<b>Total</b>		<b>360,254,388</b>	<b>392,866,946</b>

### 31.02 Director Remuneration for the year

Name	Position held	Gross Remuneration	Income Tax Deducted	Net Paid
Mr. Ahmed Akbar Sobhan	Chairman	-	-	-
Mr. Md. Imrul Hassan	Director	-	-	-
Mr. Md. Nazmul Alam Bhuiyan	Nominated Director	-	-	-
Mr. Khawaja Ahmedur Rahman	Independent Director	-	-	-
Mr. Safwan Sobhan	Managing Director	17,500,000	5,250,000	12,250,000
<b>Total</b>		<b>17,500,000</b>	<b>5,250,000</b>	<b>12,250,000</b>

### 31.2.1 Payment to Directors and Officers

The aggregate amount paid/provided during the period in respect of Directors and Officers of the Company is as follows:

Directors Remuneration	-	-
Managing Director Remuneration	12,250,000	19,950,000
Board Meeting fee	-	-
<b>Total</b>	<b>12,250,000</b>	<b>19,950,000</b>

### 32.00 SELLING AND DISTRIBUTION EXPENSES

Salaries and allowances	158,955,678	159,263,011
Advertisement	13,157,411	14,662,174
Carriage outwards	10,962,037	34,905,390
Company's contribution to PF	114,000	114,600
Foreign Exchange gain/ loss	1,217,458	3,461,462
Commission on sales	10,702,385	16,574,696
Other Selling and distribution expenses	97,695	49,383
Conveyance	757,548	-
<b>Total</b>	<b>195,964,212</b>	<b>229,030,716</b>

### 33.00 FINANCE COSTS

Interest on bank overdrafts and loans	891,039,729	1,063,089,605
Bank charges and commission	8,023,610	12,181,862
Interest on obligations under finance lease	23,671,812	28,653,126
<b>Total financial expense</b>	<b>922,735,151</b>	<b>1,103,924,593</b>
Less: Amounts included in the cost of qualifying assets	-	-
<b>Total</b>	<b>922,735,151</b>	<b>1,103,924,593</b>



### 34.00 WORKERS' PROFIT PARTICIPATION & WELFARE FUND

Opening Balance	82,332,767	57,204,064
Add: Addition during the year	23,657,272	25,128,703
Less: Paid during the year	(31,184,702)	-
Adjusted made during the year	-	-
Closing balance	<b>74,805,337</b>	<b>82,332,767</b>

#### 34.01 Workers' profit participation & welfare fund for the year:

Profit before Workers' profit participation & welfare fund	473,145,445	502,574,059
Rate	5%	5%
<b>Workers' profit participation &amp; welfare fund for the year</b>	<b>23,657,272</b>	<b>25,128,703</b>

As per provision of Workers' Profit Participation Fund (WPPF) of Labor Act 2006 as amended till to date, the company has been maintaining provision for WPPF & WF. Workers Participation Committee (WPC) has been formed. The company expects to distribute the fund very shortly as per Workers' profit participation & welfare fund policy.

### 35.00 INCOME TAX EXPENSE

In compliance with the requirements of Para 79 of IAS-12: Income Tax, the major components of tax expenses are given below:

	Amount in Taka	
	30-Jun-20	30-Jun-19
<i>a. Current tax expense:</i>	<b>51,279,394</b>	<b>66,235,531</b>
Current tax expense in respect of the current year	51,279,394	66,235,531
Adjustments recognized in the current year in relation to the current tax of prior year's	-	-
<i>b. Deferred tax expense/ (income):</i>	<b>112,372,044</b>	<b>119,361,339</b>
Deferred tax expenses recognized in the year	112,372,044	119,361,339
Adjustments to deferred tax attributable to changes in tax rates and laws	-	-
<b>c. Total income tax expense recognized in the current year (a+b)</b>	<b>163,651,438</b>	<b>185,596,870</b>

#### 35.01 The income tax expense for the year can be reconciled to the accounting profit as follows:

In compliance with the requirements of para-81 (c) of IAS-12: (Income tax), the reconciliation of tax expense and product of accounting profit are given below:

Accounting profit for the year	449,488,173	477,445,356
Less: Share of profit of equity	-	-
	<b>449,488,173</b>	<b>477,445,356</b>
Tax on accounting profits @ 25% (2018-19 @ 25%)	112,372,043	119,361,339
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	-	-
Effect of concessions (research and development and other allowances)	-	-
Impairment losses on goodwill that are not deductible	-	-
Effect of minimum tax	51,279,394	66,235,531
Effect of unused tax losses and tax offsets not recognized as deferred tax assets	-	-
Effect of previously unrecognized and unused tax losses and deductible temporary differences now recognized as deferred tax assets	-	-





Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-
Effect on deferred tax balances due to the change in income tax rate	-	-
Effect of unused tax credits	-	-
	163,651,438	185,596,870
Adjustments recognized in the current year in relation to the current tax of prior years	-	-
<b>Income tax expense recognized in profit or loss</b>	<b>163,651,438</b>	<b>185,596,870</b>

### 36.00 EARNINGS PER SHARE (EPS)

36.01 Basic Earnings per Share	Amount in Taka	
	30-Jun-20	30-Jun-19
Profit attributable to the Ordinary Shareholders	285,836,735	291,848,486
Weighted Average Number of shares	173,791,441	173,791,441
<b>Basic Earnings Per Share</b>	<b>1.64</b>	<b>1.68</b>

### 36.02 Diluted Earnings Per Share

As per IAS-33 "Earnings Per Share", the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

### 36.03 Weighted average number of ordinary shares

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year.

36.31 Total Number of Ordinary Share outstanding		
Opening number of shares outstanding	173,791,441	173,791,441
Add: Ordinary shares issued during the year	-	-
<b>Total</b>	<b>173,791,441</b>	<b>173,791,441</b>

**36.04** The calculation of the basic earnings per share is made in accordance with IAS33: Earnings Per Share, dividing the profit for the year by weighted average number of the shares issued.

**36.05** Basic Earnings represents earnings for the year attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

### 37.00 CAPITAL COMMITMENT

None, except for letter of credit for importation of plant & machinery as shown under contingent liabilities.

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## 38.00 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities and assets as on the date of Statement of Financial Position were as under:

	Amount in Taka	
	30-Jun-20	30-Jun-19
Letter of credit for importation of raw materials.	2,235,157,621	3,229,335,761
VAT claimed which is under jurisdiction of Hon'ble Supreme Court.	20,752,670	20,752,670
Claim of income tax against the company.	448,449	127,499,295
Guarantees issued by the Company's scheduled bank to third parties on counter indemnities given by the Company.	185,455,336	225,737,528
Claims against the Company acknowledge as debts.	-	-
<b>Total</b>	<b>2,441,814,075</b>	<b>3,603,325,253</b>
<b>Capital commitment and Contingent liabilities</b>	<b>2,441,814,075</b>	<b>3,603,325,253</b>
<b>38.01 L/C ( Sight/UPAS/Deferred) Liabilities</b>		
Shahjalal Islami Bank Ltd.	219,704,392	208,882,580
Bank Asia Ltd.	-	119,768,900
Social Islami Bank Ltd.	9,500,000	9,500,000
Standard Bank Ltd	174,307,225	128,322,020
IFIC Bank Ltd.	3,910,000	348,850,000
First Security Islami Bank Ltd.	434,581,091	283,450,000
Mercantile Bank Ltd.	208,520,000	14,230,000
South East Bank Ltd.	283,867,285	20,350,171
National Bank Ltd.	248,531,860	1,736,652,094
Trust Bank Ltd.	11,625,767	43,720,000
Al-Arafa Islami Bank Ltd.	640,610,000	315,610,000
<b>Total</b>	<b>2,235,157,621</b>	<b>3,229,335,761</b>
<b>38.02 Bank Guarantee</b>		
Social Islami Bank Ltd.	27,707,030	40,357,530
Mercantile Bank Ltd.	600,000	600,000
Southeast Bank Ltd.	136,700,000	165,837,678
Standard Bank Ltd.	-	-
Shahjalal Islami Bank Ltd.	20,448,308	18,942,320
<b>Total</b>	<b>185,455,336</b>	<b>225,737,528</b>

**38.03** There are contingent liabilities in respect of certain tax claims made against the Company. However, these are being vigorously defended by the Company and the Board of Directors do not consider it is appropriate to make provision in respect of any of these claims.

## 39.00 STATEMENTS OF CASH FLOWS

The statement cash flows shows the company's cash and cash equivalents changed during the year through inflows and outflows. The statement of cash flows has been prepared as per IAS -7 using the Direct Method. Net cash inflow from operating activities arrived after adjusting operating expenses, interest and taxes paid during the year.

Net cash used in investing activities includes cash outflow for purchase of property, plant and equipment after adjusting sale proceeds.

Net cash inflow from financing activities mainly resulted from repayment of long term loan as well as received from short term loan.





### 39.01 Cash receipts from customers and others:

Gross cash received from customers arrived at after adjusting accounts receivables with revenue for the year. The make-up of:

	Amount in Taka	
	30-Jun-20	30-Jun-19
Opening trade and other receivables	3,693,325,197	2,467,975,294
Add: Sales during the year	9,021,485,119	11,488,209,577
Closing trade and other receivables except receivable against cash Incentive	(1,367,682,313)	(3,192,707,887)
<b>Total</b>	<b>11,347,128,003</b>	<b>10,763,476,984</b>

### 39.02 Receipts from other income:

Other income	NOTE: 30.00	74,513,580	129,637,231
Less: Incentive receivables		(37,091,843)	(12,234,184)
<b>Total</b>		<b>37,421,737</b>	<b>117,403,047</b>

### 39.03 Cash payment to suppliers, employees and others:

Cash paid to suppliers arrived at after adjusting cost of raw materials and consumption cost of spares parts consumed with creditors for trade supplies, non-cash items and creditors for revenue expenses. Employee remuneration includes all types of benefits paid and provided both in cash and kind other than the re-imbursement of expenses incurred for the Company's business. The make-up of:

Purchase of raw materials	4,777,981,541	7,230,994,450
Administrative expense	360,254,388	392,866,946
Workers' profit participation & welfare fund	23,657,272	25,128,703
Selling & distribution expense	195,964,212	229,030,716
Factory overhead	2,679,846,912	2,701,840,983
Increase/ (decrease) in material in transit	(1,252,339,091)	(73,009,199)
Increase/ (decrease) in Stores and spare parts	59,730,708	(70,114,876)
(Increase)/ decrease in trade payables and other payable	718,103,282	(687,277,878)
(Increase)/ decrease in provision for expense	17,797,045	(109,414,646)
Increase/ (decrease) in advance, deposit & prepayments	(120,261,719)	(107,458,891)
<b>Adjustment for non-cash item:</b>		
Amortization of intangible assets	(8,003,735)	(7,615,726)
Depreciation expense	(981,509,711)	(925,983,166)
<b>Total</b>	<b>6,471,221,104</b>	<b>8,598,987,415</b>

## 40.00 SEGMENT REPORTING

BPML essentially provides similar products and services to customers across the country and its products and services essentially have similar risk profile. BPML's business is not organized in product or geographical components and its operating result is reviewed as a whole by its management. Hence, segment information is not relevant. However, based on the business segment, segment result for the year ended June 30, 2020 and segment assets and liabilities as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results is as follows:

Particulars	2020-2019	2019-2018
Revenue, net of VAT	8,544,463,487	11,039,126,581
Cost of sales	6,666,877,871	8,940,367,498
<b>Gross Profit</b>	<b>1,877,585,616</b>	<b>2,098,759,083</b>



### Assets and Liabilities

Segment Assets excludes Cash & Cash Equivalents	27,751,728,178	28,849,590,962
Segment Liabilities excludes tax liabilities	19,989,180,647	22,440,761,612

#### 41.00 RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its sister concern, and shareholders, which are related parties of the company, have been eliminated are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below:

##### 41.01 Loans to/from related parties:

Name of related Companies	Relationship	Nature of transaction	30-Jun-20	Compensation
East West Property Development (Pvt.) Ltd.	Shareholder & Sister Concern	Long term Loan	(500,991,777)	Market Price
East West Media Group Ltd.	Sister Concern	Short term Loan	140,228,346	Market Price
Bashundhara Steel and Engineering Ltd.	Sister Concern	Short term Loan	57,390,293	Market Price
Bashundhara Multi-Paper Industries Ltd.	Sister Concern	Short term Loan	34,689,441	Market Price
Bashundhara Infrastructure Development Ltd.	Sister Concern	Short term Loan	3,281,222	Market Price
Bashundhara Industrial Complex Ltd.	Sister Concern	Short term Loan	(164,966,492)	Market Price
Bashundhara Industrial Complex Ltd.	Sister Concern	Investment	265,000,000	Market Price
Bashundhara Cement Industries Ltd.	Sister Concern	Short term Loan	2,518,436	Market Price
Sundarban Industrial Complex Ltd.	Sister Concern	Short term Loan	7,367,465	Market Price
Bashundhara Food & Beverage Ind. Ltd.	Sister Concern	Short term Loan	4,065,831	Market Price
Bashundhara Fine Paper Mills Ltd.	Sister Concern	Short term Loan	800,000	Market Price
Bashundhara Glass Industries Ltd.	Sister Concern	Short term Loan	1,371,500	Market Price
Bashundhara LP Gas Ltd.	Sister Concern	Short term Loan	(190,746,366)	Market Price
Bashundhara Airways Ltd.	Sister Concern	Short term Loan	157,671,902	Market Price
Bashundhara Amusement Park Ltd.	Sister Concern	Short term Loan	21,197,872	Market Price
Meghna Cement Mills Limited	Sister Concern	Short term Loan	54,363,621	Market Price
Bashundhara Industrial Economic Zone	Sister Concern	Short term Loan	107,749,300	Market Price
Bashundhara Chemical Industries Ltd.	Sister Concern	Short term Loan	(7,680,000)	Market Price
Toggi Services Ltd.	Sister Concern	Short term Loan	72,300,000	Market Price
Toggi Real Estate & Construction Ltd.	Sister Concern	Short term Loan	1,250,000	Market Price
Bashundhara Multi Trading Ltd.	Sister Concern	Short term Loan	(5,243,150)	Market Price
<b>Total</b>			<b>61,617,443</b>	

The movement during the year under review is enumerated below:

Name of related Companies	Transaction during the year		30-Jun-20	30-Jun-19
	Provided	Adjusted		
East West Property Development (Pvt.) Ltd.	262,502,994	274,127,486	(500,991,777)	(489,367,285)
East West Media Group Ltd.	2,117,666	1,311,585	140,228,346	139,422,265
Bashundhara Steel and Engineering Ltd.	-	1,100,000	57,390,293	58,490,293
Bashundhara Multi-Paper Industries Ltd.	276,184,179	133,485,365	34,689,441	(108,009,373)
Bashundhara Infrastructure Development Ltd.	-	-	3,281,222	3,281,222
Bashundhara Industrial Complex Ltd.	157,270,000	203,730,000	(164,966,492)	(118,506,492)
Bashundhara Industrial Complex Ltd.	-	-	265,000,000	265,000,000
Bashundhara Cement Industries Ltd.	-	9,800,000	2,518,436	12,318,436
Sundarban Industrial Complex Ltd.	16,127,176	13,100,000	7,367,465	4,340,289
Bashundhara Food & Beverage Ind. Ltd.	100,000,000	114,900,000	4,065,831	18,965,831
Bashundhara Fine Paper Mills Ltd.	-	-	800,000	800,000
Bashundhara Glass Industries Ltd.	-	-	1,371,500	1,371,500







Bashundhara Airways Ltd.	11,695,916	9,689,602	157,671,903	155,665,589
Bashundhara Amusement Park Ltd.	5,069,287	2,500,000	21,197,872	18,628,585
Bashundhara LP Gas Ltd.	-	-	(190,746,366)	(190,746,366)
Meghna Cement Mills Limited	2,000,000	2,000,000	54,363,621	54,363,621
Bashundhara Industrial Economic Zone	43,900,000	10,000,000	107,749,300	73,849,300
Bashundhara Chemical Industries Ltd.	4,800,000	-	(7,680,000)	(12,480,000)
Toggi Services Ltd.	135,000,000	115,000,000	72,300,000	52,300,000
Toggi Real Estate & Construction Ltd.	-	-	1,250,000	1,250,000
Bashundhara Multi Trading Ltd.	29,826,400	35,069,550	(5,243,150)	-
<b>Total</b>	<b>1,046,493,619</b>	<b>925,813,588</b>	<b>61,617,444</b>	<b>(59,062,586)</b>

#### 41.02 Trading transactions:

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of related parties, nature of these transactions and their outstanding amount have been set out in accordance with the provisions of IAS 24 : Related Party Disclosure.

Name of related Companies	Relationship	Nature of transaction	30-Jun-20	30-Jun-19
East West Property Development (Pvt.) Ltd.	Shareholder & Sister Concern	Trade payable/ receivable	(15,134,491)	18,052,887
Bashundhara Airways Ltd.	Sister Concern	Do	45,605	(353,906)
Bashundhara Amusement park Ltd.	Sister Concern	Do	5,950,585	4,425,596
Bashundhara LP Gas Ltd.	Sister Concern	Do	(56,238,800)	1,265,024
Bashundhara Logistics Ltd.	Sister Concern	Do	801,596	471,780
Bashundhara Oil & Gas Company Ltd.	Sister Concern	Do	302,314	-
Bashundhara Steel and Engineering Ltd.	Sister Concern	Do	66,738	68,100
Bashundhara Multi-Paper Industries Ltd.	Sister Concern	Do	(177,579,770)	(42,803,673)
Bashundhara Glass Industries Ltd.	Sister Concern	Do	-	3,000
East West Media Group Ltd.	Sister Concern	Do	(144,250,553)	(10,461,849)
Sundarban Industrial Complex Ltd.	Sister Concern	Do	921,002	876,132
Meghna Cement Mills Ltd.	Sister Concern	Do	11,918,565	8,952,788
Bashundhara Cement Industries Ltd.	Sister Concern	Do	411,600	417,062
International Convention City Bashundhara	Sister Concern	Do	(1,330,084)	(1,849,798)
Bashundhara Food & Beverage Industries Ltd.	Sister Concern	Do	12,222,106	7,006,113
Bashundhara Infrastructure Development Ltd.	Sister Concern	Do	615,957	359,632
Toggi Services Ltd.	Sister Concern	Do	-	(7,081,890)
Bashundhara Industrial Complex Ltd.	Sister Concern	Do	709,901,906	714,314,249
Bashundhara Multi Food Industries Ltd.	Sister Concern	Do	988,363	164,704
Toggi Services Ltd.	Sister Concern	Do	-	671,235
Bashundhara Technologies Ltd.	Sister Concern	Do	14,000	14,000
Bashundhara Industrial Economic Zone	Sister Concern	Do	(910,678)	-
Bashundhara Chemical Industries Ltd.	Sister Concern	Do	3,000	-
Toggi Services Ltd.	Sister Concern	Do	(757,678)	-
Bashundhara Multi Trading Ltd.	Sister Concern	Do	1,733,961	-
<b>Total</b>			<b>379,964,228</b>	<b>694,511,184</b>

**41.03 As per Company Act, 1994 part-II, Schedule-XI(4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-**





	Amount in Taka	
	30-Jun-20	30-Jun-19
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	17,500,000	28,500,000
Expenses reimbursed to Managing Agent	-	-
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	-	-
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	-	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
<b>Other allowances and commission including guarantee commission Pensions etc.</b>	-	-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii) Payments from a provident funds, subscription and interest thereon	-	-
(iv) Share Based payments	-	-

#### 41.04 Compensation of key management personnel during the year as follows:

Short-term benefits	17,500,000	28,500,000
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>17,500,000</b>	<b>28,500,000</b>

#### 41.05 Disclosure requirements of IAS 24, Para 18 minimum disclosure shall include

a) The amount of transaction	17,500,000	28,500,000
b) The amount of outstanding balance, including commitments, and:	79,117,444	723,011,184
i) Their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement; and	Remuneration, Working Capital Management	Remuneration, Working Capital Management
ii) details of any guarantee given or received	Nil	Nil
c) Provisions for doubtful debts related to the amount of outstanding balances; and	Nil	Nil
d) The expenses recognized during the period in respect of bad or doubtful debts due from related parties	Nil	Nil

#### 41.06 Aggregated amount of Remuneration, Fess, Salary & Wages of employees are given below:

Directors Remuneration	17,500,000	28,500,000
Board Meeting Attendance Fees	-	-
Wages & Allowance	161,581,186	408,981,333
Salary & Allowance	1,002,642,747	964,297,357
<b>Total</b>	<b>1,181,723,933</b>	<b>1,401,778,691</b>





- 41.07** Transactions with related parties were carried out on commercial terms and conditions and at prices agreed based on intercompany prices.
- 41.08** Sales of goods to related parties were made at the Company's usual list price. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.
- 41.09** The amounts outstanding are unsecured and will be settled in cash without any appalling experience. No guarantees have been given or received. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by the Company and its related parties.

42.00 EMPLOYEES	Amount in Taka	
	30-Jun-20	30-Jun-19
Number of employees whose salary below Tk 3,000 per month	-	-
Number of employees whose salary above Tk 3,000 per month	3,954	4,040
<b>Total</b>	<b>3,954</b>	<b>4,040</b>

#### 43.00 CAPACITY & UTILIZATION

Machine production capacity and its utilization as on June 30, 2020 is as follows:

Product	Measure Unit	Annual Capacity	Actual Production	Capacity utilized
Paper & Tissue	MT	133,750	74,059	55%
Paper Section-Value addition	MT	34,308	22,500	66%
Sack Bag	MT	10,809	543	5.0%
Sludge Board	MT	1,667	206	12%
Monalisa Sanitary Napkin	MT	1,550,016	62,508	4%
Baby Diaper	MT	1,509,581	103,806	7%
Baby Diapant	MT	3,265,920	2,819,336	86%
Wet Tissue	MT	6,739,200	10,296	0.15%
Wet Wipes	MT	1,213,056	448,520	37%

#### 44.00 NET ASSET VALUE (NAV) PER SHARE

Total Assets	28,032,718,420	30,186,245,753
Less: Intangible Assets	(158,794,592)	(166,798,327)
Total Liabilities	(20,305,691,883)	(22,705,993,454)
<b>Net Asset Value (NAV)</b>	<b>7,568,231,945</b>	<b>7,313,453,973</b>
Weighted Average Number of Ordinary shares outstanding	173,791,441	173,791,441
<b>Net Asset Value (NAV) Per Share (per value Tk. 10 each)</b>	<b>43.55</b>	<b>42.08</b>

#### 45.00 NET OPERATING CASH FLOW (NOCFPS) PER SHARE

Net Operating Cash Flows	4,319,021,031	1,749,795,824
Weighted Average Number of Ordinary shares outstanding	173,791,441	173,791,441
<b>Net Operating Cash Flows per share (per value Tk. 10 each)</b>	<b>24.85</b>	<b>10.07</b>



#### 46.00 RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT

	Amount in Taka	
	30-Jun-20	30-Jun-19
Total Comprehensive Income for the year	285,836,735	291,848,486
<b>Adjustment for:</b>		
Income tax expense recognized in profit and loss	163,651,438	185,596,870
Workers' profit participation & welfare fund	23,657,272	25,128,703
Amortization of intangible assets	8,003,735	7,615,726
Depreciation of non-current assets	981,509,711	925,983,166
	<b>1,462,658,892</b>	<b>1,436,172,951</b>
<b>Adjustment for separate consideration</b>		
Finance cost recognized in profit and loss	914,711,541	1,091,742,731
<b>Movements in working capital:</b>		
(Increase)/decrease in inventories	401,657,800	(849,343,859)
(Increase)/decrease in trade and other receivables	2,288,551,041	(736,966,777)
(Increase)/decrease in advance, deposit and prepayment	120,261,719	107,458,891
Increase/(decrease) in trade payables & other payables	(741,760,555)	687,277,878
Increase/(decrease) in provision for expense	(17,797,045)	84,285,943
<b>Cash generated from operations</b>	<b>2,050,912,961</b>	<b>(707,287,924)</b>
Income taxes paid	(109,262,362)	(70,831,934)
<b>Net cash (used in)/ generated by operating activities</b>	<b>4,319,021,031</b>	<b>1,749,795,824</b>

#### 47.00 DIRECTOR'S RESPONSIBILITY ON STATEMENT

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

#### 48.00 DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

#### 49.00 RECEIVABLE FROM DIRECTORS

No amount is lying as receivable from the Directors.

#### 50.00 FOREIGN REMITTANCES

No remittances were made in foreign currency on account of dividend, royalty, technical experts, professional advisors, interest, etc.

#### 51.00 EVENTS AFTER THE REPORTING PERIOD

**51.01** The Board of Directors in its meeting held on 07 November 2020 approved the financial statements of the company for the year ended 30 June 2020 and authorised the same for issue. The Board of Directors also recommended cash dividend @ 10% for the General Shareholders other than the Directors, Sponsors and the Pre-IPO Placement holders for the FY 2019-2020 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

**51.02** No circumstances have arisen since the date of statement of financial position, which would require adjustment to or disclosure in the financial statement or notes thereto.

#### 52.00 STATUS OF INCOME TAX ASSESSMENT

From the inception of the Company to the income Year 2016-2017 (Assessment year 2017-2018) has been completed. The status of income tax assessment of the Company is as under:

Income Year	Assessment Year	Demand/ (Refund)	Assessment completed U/S of ITO 1984	Status
2018-2019	2019-2020	448,449	83(2)	The DCT has completed the assessment on 14 September 2020 against which the Company filled an appeal to the Commissioner (Appeals)





### 53.00 GOING CONCERN BASIS OF ACCOUNTING

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of the banking facilities as disclosed in Note 19, 23 & 24.

The Companies retained earning stand at Tk. 2,176,579,027 as on June 30, 2020 which includes Tk. 285,832,151 net profit after tax of for the year and, as at that date, current assets exceed current liabilities. Besides that the company has sustainable products, debts with excellent repayment records, bright operating cash flows, positive key financial ratios, reliability in payment of obligations, excellent corporate environment and employee satisfaction.

Management acknowledges that uncertainty remains over the Company's ability to meet its funding requirements and to refinance or repay its banking facilities as they fall due. In that particular circumstance, management has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

### 54.00 FINANCIAL RISK MANAGEMENT

#### 54.01 Basis of fair value measurement

As fair value is a market - based measurement, when measuring the fair value of an asset or liability, BPML uses market observable data as far as possible though entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

BPML recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



## 54.02 Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Reconciliation of carrying amount	Note	Carrying amount						Total	Fair value				
		Held for trading	Designated at fair value	Fair value - hedging instruments	Held -to-maturity	Loans and receivables	Available for sale		Other financial liabilities	Level 1	Level 2	Level 3	Total
<b>30 June 2020:</b>													
Financial assets measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>													
Trade receivables and Other receivables	10	-	-	-	-	1,404,774,156	-	-	1,404,774,156	-	-	-	-
Advances, deposits and prepayments	11	-	-	-	-	708,955,164	-	-	708,955,164	-	-	-	-
Cash and cash equivalents	14	-	-	-	-	280,990,242	-	-	280,990,242	-	-	-	-
<b>Financial liabilities measured at fair value</b>		-	-	-	-	<b>2,394,719,562</b>	-	-	<b>2,394,719,562</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>		-	-	-	-	-	-	-	-	-	-	-	-
Long term borrowings-current portion	23	-	-	-	-	-	-	1,974,333,458	-	-	-	-	-
Short term borrowings	24	-	-	-	-	-	-	3,126,622,374	-	-	-	-	-
Trade and other payables	25	-	-	-	-	-	-	1,576,257,948	-	-	-	-	-
<b>30 June 2019:</b>		-	-	-	-	-	-	<b>6,677,213,781</b>	-	-	-	-	-
<b>Financial assets measured at fair value</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>		-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables and Other receivables	10	-	-	-	-	3,693,325,197	-	-	3,693,325,197	-	-	-	-
Advances, deposits and prepayments	11	-	-	-	-	829,368,883	-	-	829,368,883	-	-	-	-
Cash and cash equivalents	14	-	-	-	-	1,336,654,791	-	-	1,336,654,791	-	-	-	-
<b>Financial liabilities measured at fair value</b>		-	-	-	-	<b>5,859,348,871</b>	-	-	<b>5,859,348,871</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>		-	-	-	-	-	-	-	-	-	-	-	-
Long term borrowings-current portion	23	-	-	-	-	-	-	-	-	-	-	-	-
Short term borrowings	24	-	-	-	-	-	-	1,740,500,152	-	-	-	-	-
Trade and other payables	25	-	-	-	-	-	-	8,084,230,977	-	-	-	-	-
		-	-	-	-	-	-	2,296,713,496	-	-	-	-	-
		-	-	-	-	-	-	<b>12,121,444,625</b>	-	-	-	-	-

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, trade and other payables, and other non-current liabilities because their carrying amounts are a reasonable approximation of fair values.





### 54.03 Financial Risk Management

The Company has exposure to the following risks:

- Credit risk
- liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

#### Risk management framework:

The Company's Board of Directors has overall responsibility for the establishment, developing, oversight and monitoring of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has established Internal Audit Department to oversee how management monitors compliance with the Company's risk management policies and procedures, compliance with operational and legal requirements, identification of foreseeable trends and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

The Company's financial liabilities mainly comprise trade and other payables and short term running finance. The main purpose of financial liabilities is to raise finance for the Company's operation. The Company's financial assets comprise loans to employees, trade and other receivables, bank balances. The Company is exposed to credit risk, liquidity risk and market risk.

#### 54.3.1 Credit risk

Credit risk is the risk of 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 customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The management of the Company has established a credit policy under which each new customer is analyzed individually creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limit are established for each customer, which represents the maximum open amount without requiring approval from the concerned authority; these limits are reviewed twice a year. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. More than 80 percent of the Company's customers have been transacting with the Company since long, and no impairment loss has been recognized against these customers. Trade and other receivable relate mainly to the Company's Wholesale customer. The Company's maximum exposure to credit risk at the reporting date is as follows:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:





a) Exposure to credit risk:

	Amount in Taka	
	30-Jun-20	30-Jun-19
<b>Trade receivables</b>		
Local customer	1,118,353,518	2,627,118,916
Foreign customer	44,542,978	62,419,456
<b>Advance, deposit and prepayments</b>	708,955,164	829,368,883
<b>Due/ (payable) from/to inter companies</b>	(203,382,557)	(324,062,587)
<b>Cash and bank balances</b>	280,990,242	1,336,654,791

The maximum exposure to credit risk for accounts receivable by geographic regions was:

Bangladesh	1,118,353,518	2,627,118,916
Asia	46,288,147	68,061,005
Europe	211,500	(4,390,906)
Australia	12,909	12,909
Africa	1,394,035	(1,263,552)
North America	(3,363,613)	-

b) The aging of trade receivables other than other product and services at the reporting date is as follows:

Trade receivables		
0-90 days past due	470,365,601	1,143,445,755
90-180 days past due	473,314,754	1,151,781,118
above 180 days past due	219,216,141	394,311,499
	<b>1,162,896,496</b>	<b>2,689,538,372</b>

c) Credit exposure by credit rating:

Trade receivables	1,162,896,496	2,689,538,372
Advance, deposit and prepayments	708,955,164	829,368,883
Other receivables	241,877,660	1,003,786,825

**Cash and Bank balances:**

Cash in hand		29,636,725	29,384,396
Bkash Account		12,000	-
<b>Cash at bank:</b>			
<b>Bank name &amp; branch</b>	<b>Account No.</b>	<b>251,341,517</b>	<b>232,250,395</b>
Agrani Bank Ltd., Principal Branch, Dhaka	CD: 11217-8	-	-
Al-Arafa Islami Bank Ltd., Motijheel Branch, Dhaka	CD-3059	12,683	13,373
Bank Asia Ltd., Bashundhara Branch	CD: 404, 568, 569	92,574,973	46,117,254
Bank Asia Ltd., Bashundhara Branch	SND: 0135	2,628,651	1,134,815
Bank Asia Ltd., Principal Branch	CD: 00333005904	290,949	40,699
Basic Bank Ltd., Bashundhara Br.	STD: 057	232,082	2,031,282
Basic Bank Ltd.-Main Branch, Dhaka.	CD: 05787	5,276	699,850
Dutch Bangla Bank Ltd., Bashundhara Branch	SND: 147.120.1895	10,097,221	3,000,273
Dutch Bangla Bank Ltd., Local Office	CD: 10111012348	134,133	3,281,102
First Security Islami Bank Ltd., Banani Branch	CD: 2215	5,695,083	476,111
IFIC Bank Ltd., Kawranbazar Branch	CD: 313926-001	14,887,468	133,308





Islami Bank Bangladesh Ltd., Head Office Complex Br.	CD: 87816	6,249,739	5,294,752
Janata Bank Ltd., Helatola Branch, Khulna	CD:001039442	3,332	3,332
Janata Bank Ltd., Janata Bhaban Corp. Br.	STD: 004001006	2,543,559	7,854,176
Janata Bank Ltd., JBCB,Dhaka	CD: 001022542	5,894,419	6,601,991
Janata Bank Ltd., JBCB,Dhaka	FC: 402000464	1,436,689	1,436,689
Mercantile Bank Ltd., Main Branch, Dhaka	CD: 81042	4,144,573	11,026,333
Mutual Trust Bank Ltd., Bashundhara City Br.	CD: 15608,1015, 15617	14,252,702	6,619,468
Mutual Trust Bank Ltd., Sonargoan Branch	CD: 10258,10427,10294,10267	151,191	69,163
Mutual Trust Bank Ltd., Sonargoan Branch	CD:	12,303	-
National Bank Ltd., Dilkusha Branch	CD: 233137485	2,452,239	5,004,137
National Bank Ltd.	SND accounts	198,031	459,417
NCC Bank Ltd., Motijheel Branch	CD: 22785	9,963	9,963
The Premier Bank Ltd., Banani Branch	CD: 1604-0	3,565	3,565
The Premier Bank Ltd.-Dilkusha Branch	CD: 019010	3,735	4,425
Prime Bank Ltd. Gulshan Br.	CD: 2118116023883	10,000	-
Rupali Bank Ltd.-Local Office, Dhaka.	CD: 0018020010093	126,634	1,654,761
Shahjalal Islami Bank Ltd., Gulshan Branch	CD: 4061	2,781,207	1,428,176
Sonali Bank Ltd.	SND: 000025	3,543,622	-
Social Islami Bank Ltd., Bashundhara Branch	CD: 1330000079	7,157,856	29,840,240
Social Islami Bank Ltd., Panthapath Branch	CD: 12885, 16735,16741	13,630,774	38,963,851
Social Islami Bank Ltd., Sonargoan Branch	CD: 64,6459, 6718,6661	2,346,682	2,060,297
Southeast Bank Ltd., Principal Branch, Dhaka	CD: 7935	15,359,807	4,106,324
Southeast Bank Ltd., Principal Branch, Dhaka	FC: 0462	5,431,121	2,331,175
Southeast Bank Ltd., Principal Branch, Dhaka	DAD Account-588	42	42
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_BDT_197	12,165	15,154
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_GBP_552	13,504	13,504
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_Euro_774	-	13,476
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_USD_066	280,194	316,808
Standard Bank Ltd., Principal Branch	CD: 00233009262	815,704	117,095
Standard Bank Ltd., Principal Branch	STD: 00236001976	44,129	-
Trust Bank Ltd., Senakallyan Bhaban Branch	CD: 0003-0210011205	406,817	124,550
Union Bank Ltd., Gulshan Branch	CD: 1623	84,481	85,286
United Commercial Bank Ltd., Bashundhara Br.	STD: 119/198	31,281,067	48,776,832
United Commercial Bank Ltd., Gulshan Branch	CD: 1360	4,101,153	1,087,349

The Company's maximum exposure to credit risk at the reporting date is trade receivable. To mitigate the credit risk against trade receivables, the Company has a system of specific credit line period to the distributor which is regularly monitored.

#### 54.3.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Therefore, managing sufficient cash, the availability of funding through an adequate amount of committed bank facilities, the company manages the liquidity risk. The Company's maximum exposure to financial liabilities as at the reporting date is as follows:



Non-derivative financial liabilities	Year	Carrying Amount	Contractual Cash Flows		
			Within 12 months	1 to 5 years	More than 5 years
Finance Lease	2019-20	490,850,484	147,813,607	343,036,876	-
Long term bank loan		-	1,826,519,851	(1,826,519,851)	-
Short term bank loan		5,100,955,833	5,100,955,833	-	-
Trade and other payables		1,576,257,948	1,576,257,948	-	-
Provision for expenses		110,078,848	110,078,848	-	-
Finance Lease	2018-19	144,198,619	105,252,299	38,946,320	-
Long term bank loan		-	1,635,247,853	(1,635,247,853)	-
Short term bank loan		9,824,731,129	9,824,731,129	-	-
Trade and other payables		2,296,713,495	2,296,713,495	-	-
Provision for expenses		125,844,073	125,844,073	-	-

### 54.3.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchanges rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### a) Currency risk:

The company is exposed to currency risk on sales, purchase that are denominated in a currency other than the respective functional currencies of the entities BDT Tk. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to Company's operating activities with the foreign suppliers.

#### i) Exposure to currency risk:

Foreign currency monetary assets and liabilities:	Amount in Taka	
	30-Jun-20 (U\$D)	30-Jun-19 (U\$D)
<b>Assets:</b>		
Trade receivables	524,961	738,692
Cash at bank	16,932	17,002
<b>Liabilities:</b>		
Trade and other payables	-	-

#### Net exposure:

The following significant average exchange rates are applied during the year:

Exchange rate of US Dollar	\$ 84.85	\$ 84.50
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#### (ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures:

A strengthening or weakening of the Taka, as indicated below, against the U\$D at 30 June 2020 would have increased/(decreased) equity and profit or loss. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

#### b) Interest rate risk:

The Company ensuring that between 45 and 65 percent of its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to Company's short-term deposits and running finance.

#### c) Other price risk:

Equity price risk arises from available-for-sale equity securities held for meeting partially the unfunded portion of the Company's defined benefit pension obligations as well as investments at fair value through profit and loss (other than those arising from interest rate risk and currency risk). The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares and also to commodity price risk.





## 55.00 CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to provide an adequate return to shareholders;

The Board of Directors has set a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity attributable to the equity holders. The Board of Directors monitors the level of capital as well as the level of dividend to the ordinary shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend, return capital to No changes were made in the objectives, policies or processes for managing capital during the year ended 30 June, 2020.



**BASHUNDHARA PAPER MILLS LIMITED****Schedule of Property, Plant & Equipment**

As at 30 June 2020

Annexure-A

PARTICULARS	COST					DEPRECIATION					Written down value	
	Opening balance	Reclassification	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	Reclassification	Depreciation	Adjustment/ Disposal	Closing balance		
1	2	3	4	5	6	7=3+4+5+6	8	9	10	11	12=8+10+11	13=7+12
a) Based on Cost:	15,239,687,497	(111,791,600)	567,055,861	2,574,689,098	(1,011,443)	18,268,629,413	4,532,244,778	(56,620,476)	938,939,130	(532,450)	5,414,030,981	12,854,598,431
i) Own assets:	15,118,960,997	-	567,055,861	2,574,689,098	7,923,457	18,268,629,413	4,467,185,785	-	938,690,938	8,154,258	5,414,030,981	12,854,598,431
Land and land development	554,324,896	-	19,792,647	-	-	574,117,543	-	-	-	-	-	574,117,543
Plant and machinery	10,533,897,815	-	465,166,227	1,552,078,363	(1,011,443)	12,550,130,963	3,678,141,082	-	759,511,124	(532,450)	4,437,119,755	8,113,011,208
Office equipment	99,099,181	-	7,580,877	-	-	106,680,058	46,002,837	-	12,443,904	-	58,446,742	48,233,317
Furniture and fixture	34,827,156	-	-	-	-	34,827,156	16,932,381	-	2,474,989	-	19,407,370	15,419,786
Factory apparatus and loose tools	209,920,627	-	3,796,173	-	-	213,716,800	71,823,583	-	11,879,606	-	83,703,189	130,013,611
Motor Vehicles	553,999,879	-	9,989,435	-	8,934,900	572,924,214	263,310,771	-	64,737,836	8,686,708	336,735,316	236,188,899
Factory building and other constructions	3,077,600,889	-	56,441,167	894,672,924	-	4,028,714,981	349,440,240	-	83,414,084	-	432,854,323	3,595,860,658
Sundry assets	55,290,553	-	4,289,334	127,937,810	-	187,517,697	41,534,892	-	4,229,395	-	45,764,287	141,753,411
ii) Leased assets:	120,726,500	(111,791,600)	-	-	(8,934,900)	-	65,058,993	(56,620,476)	248,192	(8,686,708)	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	120,726,500	(111,791,600)	-	-	(8,934,900)	-	65,058,993	(56,620,476)	248,192	(8,686,708)	-	-
b) Based on Revaluation:	2,848,337,977	-	-	-	-	2,848,337,977	266,591,866	-	28,568,477	-	295,160,343	2,553,177,635
Land and land development	2,107,635,598	-	-	-	-	2,107,635,598	-	-	-	-	-	2,107,635,598
Plant and machinery	115,317,906	-	-	-	-	115,317,906	82,847,476	-	11,188,042	-	94,035,518	21,282,387
Office equipment	1,733,807	-	-	-	-	1,733,807	1,234,929	-	126,742	-	1,361,671	372,136
Furniture and fixture	1,036,791	-	-	-	-	1,036,791	639,710	-	62,190	-	701,900	334,891
Factory apparatus and loose tools	4,160,493	-	-	-	-	4,160,493	1,901,955	-	199,617	-	2,101,572	2,058,921
Motor Vehicles	7,767,090	-	-	-	-	7,767,090	7,153,266	-	409,588	-	7,562,854	204,236
Building and other constructions	604,376,645	-	-	-	-	604,376,645	167,262,233	-	16,270,922	-	183,533,156	420,843,490
Sundry assets	6,309,647	-	-	-	-	6,309,647	5,552,297	-	311,375	-	5,863,672	445,975
Total (a+b)	18,088,025,474	(111,791,600)	567,055,861	2,574,689,098	(1,011,443)	21,116,967,390	4,798,836,643	(56,620,476)	967,507,607	(532,450)	5,709,191,324	15,407,776,066
Total (2018-2019)	12,853,538,120	-	1,001,965,701	4,254,783,867	(22,262,213)	18,088,025,474	3,875,079,187	-	925,983,166	(2,225,710)	4,798,836,643	13,289,188,831

**Allocation of depreciation:**

Administrative overhead @ 5%  
Factory overhead @ 95%

**Total**

48,375,380

919,132,226

**967,507,607**

Name of valuer: S.F. Ahmed &amp; Co., Chartered Accountants (Representative of ERNST &amp; YOUNG GLOBAL in Bangladesh), in 2010 and followed by Manjef Huq &amp; Co., Chartered Accountants in 2015.

Valuation Method: Net Assets Value Method and Current Fair Market Value Method.

Date of Capitalization: 30 June 2010 and 05 July 2015.



## BPML (UNIT-1)

Annexure-A.1

PARTICULARS	COST						DEPRECIATION					Written down value
	Opening balance	Redclassification	Addition	Transfer from CWP	Adjustment/ Disposal	Closing balance	Opening balance	Redclassification	Depreciation	Adjustment/ Disposal	Closing balance	
1	2	3	4	5	6	7=2+3+4+5+6	8	9	10	11	12=8+9+10+11	13=7-12
a) Based on Cost:	7,755,904,073	-	385,517,253	1,147,725,163	-	9,289,146,489	1,115,835,123	-	381,591,591	-	1,497,426,713	7,791,719,776
i) Own assets:	7,746,969,173	-	385,517,253	1,147,725,163	8,934,900	9,289,146,489	1,107,396,606	-	381,343,399	8,686,708	1,497,426,713	7,791,719,776
Land and land development	293,954,278	-	19,792,647	-	-	313,746,925	-	-	-	-	-	313,746,925
Plant and machinery	4,862,032,365	-	298,741,144	373,424,480	-	5,534,197,989	760,096,897	-	293,521,084	-	1,053,617,981	4,480,580,007
Office equipment	60,135,888	-	1,100,141	-	-	61,236,029	20,625,642	-	7,355,556	-	27,981,199	33,254,830
Furniture and fixture	17,304,530	-	-	-	-	17,304,530	6,295,964	-	1,356,257	-	7,652,222	9,652,308
Factory apparatus and loose tools	185,624,015	-	2,407,320	-	-	188,031,335	58,653,280	-	9,957,427	-	68,610,707	119,420,628
Motor Vehicles	254,371,997	-	2,745,500	-	8,934,900	266,052,337	119,559,111	-	20,547,583	8,686,708	148,793,403	117,258,935
Factory building and other constructions	2,057,455,366	-	56,441,167	646,362,873	-	2,760,259,396	131,111,613	-	47,776,976	-	178,888,589	2,581,370,807
Sundry assets	16,090,805	-	4,289,334	127,937,810	-	148,317,949	11,054,097	-	828,515	-	11,882,613	136,435,336
ii) Leased assets:	8,934,900	-	-	-	(8,934,900)	-	8,438,517	-	248,192	(8,686,708)	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	8,934,900	-	-	-	(8,934,900)	-	8,438,517	-	248,192	(8,686,708)	-	-
b) Based on Revaluation:	856,038,012	-	-	-	-	856,038,012	72,058,348	-	9,674,805	-	81,733,153	774,304,859
Land and land development	739,453,096	-	-	-	-	739,453,096	56,974,047	-	8,662,803	-	65,636,850	739,453,096
Plant and machinery	83,051,356	-	-	-	-	83,051,356	284,500	-	33,102	-	317,603	105,786
Office equipment	423,389	-	-	-	-	423,389	215,525	-	21,130	-	236,655	117,999
Furniture and fixture	35,654	-	-	-	-	35,654	1,118,696	-	123,225	-	1,241,920	1,281,535
Factory apparatus and loose tools	2,523,455	-	-	-	-	2,523,455	6,054,585	-	312,638	-	6,367,223	126,676
Motor Vehicles	6,493,899	-	-	-	-	6,493,899	5,039,139	-	520,829	-	5,559,968	15,666,100
Building and other constructions	21,226,067	-	-	-	-	21,226,067	2,371,856	-	1,078	-	2,372,935	139,161
Sundry assets	2,512,096	-	-	-	-	2,512,096	-	-	-	-	-	-
Total (a+b)	8,611,942,085	-	385,517,253	1,147,725,163	-	10,145,184,501	1,187,893,471	-	391,266,396	-	1,579,159,866	8,566,024,634
Total (2018-2019)	4,066,502,701	-	770,893,268	3,758,145,787	16,400,329	8,611,942,084	939,365,818	-	247,234,435	1,293,217	1,187,893,470	7,423,048,614

## Allocation of depreciation:

Administrative overhead @ 5%  
Factory overhead @ 95%

Total

19,563,320
371,703,076
391,266,396



## BPML (UNIT-2)

BPMIL (UNIT-2)													Annexure-A.2	
PARTICULARS	COST						DEPRECIATION					Written down value		
	Opening balance	Reclassification	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	Opening balance	Reclassification	Depreciation	Adjustment/ Disposal	Closing balance			
1	2	3	4	5	6	7=2+3+4+5+6	8	9	10	11	12=8+9+10+11	13=7-12		
a) Based on Cost:	1,966,536,298	-	36,086,001	986,110,729	(1,011,443)	2,987,721,584	1,155,360,663	-	111,370,867	(532,450)	1,266,199,080	1,771,522,504		
i) Own assets:	1,966,536,298	-	36,086,001	986,110,729	(1,011,443)	2,987,721,584	1,155,360,663	-	111,370,867	(532,450)	1,266,199,080	1,771,522,504		
Land and land development	86,439,658	-	-	-	-	86,439,658	-	-	-	-	-	86,439,658		
Plant and machinery	1,556,609,354	-	32,032,726	837,289,800	(1,011,443)	2,424,920,437	1,058,051,541	-	97,896,613	(532,450)	1,155,415,704	1,269,504,733		
Office equipment	9,391,373	-	682,550	-	-	10,073,923	6,458,888	-	1,016,540	-	7,475,430	2,598,493		
Furniture and fixture	2,167,061	-	-	-	-	2,167,061	1,567,561	-	167,563	-	1,735,124	431,937		
Factory apparatus and loose tools	12,853,647	-	538,353	-	-	13,392,000	7,615,969	-	2,952,504	-	8,398,273	4,993,727		
Motor Vehicles	15,872,555	-	2,832,373	-	-	18,704,928	8,216,758	-	3,221,140	-	10,467,897	8,237,030		
Factory building and other constructions	262,190,090	-	-	148,820,929	-	411,011,019	56,309,087	-	7,549,249	-	63,858,336	347,152,683		
Sundry assets	21,012,559	-	-	-	-	21,012,559	17,140,859	-	1,707,457	-	18,848,316	2,164,243		
ii) Leased assets:	-	-	-	-	-	-	-	-	-	-	-	-		
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-		
Motor Vehicles	-	-	-	-	-	-	-	-	-	-	-	-		
b) Based on Revaluation:	1,173,870,582	-	-	-	-	1,173,870,582	119,969,511	-	11,591,714	-	131,561,225	1,042,309,357		
Land and land development	798,420,922	-	-	-	-	798,420,922	-	-	-	-	-	798,420,922		
Plant and machinery	5,301,867	-	-	-	-	5,301,867	2,977,012	-	280,485	-	3,257,496	2,044,371		
Office equipment	645,079	-	-	-	-	645,079	548,317	-	53,757	-	602,074	43,005		
Furniture and fixture	47,843	-	-	-	-	47,843	36,971	-	3,624	-	40,595	7,248		
Factory apparatus and loose tools	290,522	-	-	-	-	290,522	145,261	-	14,241	-	159,503	131,019		
Motor Vehicles	-	-	-	-	-	-	-	-	-	-	-	-		
Building and other constructions	366,026,540	-	-	-	-	366,026,540	113,594,813	-	10,978,124	-	124,572,936	241,453,604		
Sundry assets	3,137,809	-	-	-	-	3,137,809	2,667,137	-	261,484	-	2,928,621	209,188		
Total (a+b)	3,140,406,880	-	36,086,001	986,110,729	(1,011,443)	4,161,592,167	1,275,330,174	-	122,962,581	(532,450)	1,397,760,305	2,763,831,861		
Total (2018-2019)	3,103,765,273	-	39,657,508	-	(9,015,901)	3,140,406,881	1,122,957,721	-	152,573,514	(201,060)	1,275,330,174	1,865,076,706		

**Allocation of depreciation:**

**Administrative overhead @ 5%**

Factory overhead @ 95%

Total

122,962,581

**2006/05/05**





**BPML (UNIT-3)**

**Annexure A.3**

PARTICULARS	COST						DEPRECIATION					Written down value
	Operating balance	Reclassification	Addition	Transfer from CWP	Adjustment/ Disposal	Closing balance	Opening balance	Reclassification	Depreciation	Adjustment/ Disposal	Closing balance	
1	2	3	4	5	6	7	8	9	10	11	12	13
						7,23,54,516					12,89,91,011	13,77,12
<b>a) Based on Cost:</b>	<b>5,517,247,126</b>	<b>(111,791,600)</b>	<b>145,452,608</b>	<b>440,853,206</b>	<b>-</b>	<b>5,991,761,339</b>	<b>2,261,048,992</b>	<b>(56,620,476)</b>	<b>445,976,672</b>	<b>-</b>	<b>2,650,405,188</b>	<b>3,341,356,151</b>
<b>i) Own assets:</b>	<b>5,405,455,526</b>	<b>-</b>	<b>145,452,608</b>	<b>440,853,206</b>	<b>-</b>	<b>5,991,761,339</b>	<b>2,204,428,516</b>	<b>-</b>	<b>445,976,672</b>	<b>-</b>	<b>2,650,405,188</b>	<b>3,341,356,151</b>
Land and land development	173,930,960	-	-	-	-	173,930,960	-	-	-	-	-	173,930,960
Plant and machinery	4,115,256,096	-	134,392,358	341,364,083	-	4,591,012,538	1,859,992,643	-	368,093,427	-	2,228,086,070	2,362,926,468
Office equipment	29,571,920	-	5,798,186	-	-	35,370,107	18,918,307	-	4,071,806	-	22,990,113	12,379,994
Furniture and fixture	15,355,565	-	-	-	-	15,355,565	9,068,856	-	951,169	-	10,020,025	5,335,541
Factory apparatus and loose tools	11,442,965	-	850,500	-	-	12,293,465	5,554,334	-	1,139,875	-	6,694,209	5,599,256
Motor Vehicles	283,755,387	-	4,411,562	-	-	288,166,949	135,534,902	-	41,939,114	-	177,474,016	110,692,933
Factory building and other constructions	757,955,444	-	-	99,489,122	-	857,444,566	162,019,540	-	28,087,858	-	190,107,398	667,337,168
Sundry assets	18,187,189	-	-	-	-	18,187,189	13,339,935	-	1,693,423	-	15,033,358	3,153,831
<b>ii) Leased assets:</b>	<b>111,791,600</b>	<b>(111,791,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,620,476</b>	<b>(56,620,476)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Plant and machinery	-	-	-	-	-	-	56,620,476	(56,620,476)	-	-	-	-
Motor Vehicles	111,791,600	(111,791,600)	-	-	-	-	-	-	-	-	-	-
<b>b) Based on Revaluation:</b>	<b>818,429,383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>818,429,383</b>	<b>74,564,006</b>	<b>-</b>	<b>7,301,958</b>	<b>-</b>	<b>81,865,964</b>	<b>736,563,419</b>
Land and land development	569,761,580	-	-	-	-	569,761,580	22,896,418	-	2,244,754	-	25,141,172	569,761,580
Plant and machinery	26,964,683	-	-	-	-	26,964,683	402,111	-	39,883	-	441,994	1,823,315
Office equipment	665,339	-	-	-	-	665,339	387,214	-	37,436	-	424,650	209,644
Furniture and fixture	634,294	-	-	-	-	634,294	637,998	-	62,151	-	700,149	646,367
Factory apparatus and loose tools	1,346,516	-	-	-	-	1,346,516	1,098,681	-	96,950	-	1,195,631	77,560
Motor Vehicles	1,273,191	-	-	-	-	1,273,191	48,628,282	-	4,771,970	-	53,400,252	163,723,786
Building and other constructions	217,124,038	-	-	-	-	217,124,038	513,303	-	48,813	-	562,116	97,626
Sundry assets	659,742	-	-	-	-	659,742	2,335,612,998	(56,620,476)	453,278,630	-	2,732,271,152	4,077,919,570
<b>Total (a+b)</b>	<b>6,335,676,510</b>	<b>(111,791,600)</b>	<b>145,452,608</b>	<b>440,853,206</b>	<b>-</b>	<b>6,810,190,723</b>	<b>2,335,612,998</b>	<b>(56,620,476)</b>	<b>453,278,630</b>	<b>-</b>	<b>2,732,271,152</b>	<b>4,077,919,570</b>
<b>Total (2018-2019)</b>	<b>5,683,270,146</b>	<b>-</b>	<b>191,414,925</b>	<b>496,638,080</b>	<b>(35,646,641)</b>	<b>6,335,676,509</b>	<b>1,812,755,649</b>	<b>-</b>	<b>526,175,217</b>	<b>(3,317,867)</b>	<b>2,335,612,999</b>	<b>4,000,063,511</b>

**Allocation of depreciation:**

Administrative overhead @ 5%  
Factory overhead @ 95%

22,663,932
430,614,699
<b>453,278,630</b>



**BASHUNDHARA PAPER MILLS LIMITED**  
**Schedule of Intangible Assets**  
 As at 30 June 2020

Annexure-B

PARTICULARS	COST			AMORTIZATION				Written down value
	Opening balance	Addition	Adjustment/ Disposal	Closing balance	Opening balance	Amortization	Adjustment/ Disposal	Closing balance
1	2	3	4	5=2+3+4	6	7	8	9=6+7+8
1 SAP Software	189,147,070	-	-	189,147,070	22,697,648	7,964,087	-	30,661,736
2 CRM Software	480,635	-	-	480,635	131,730	39,648	-	171,378
<b>Total</b>	<b>189,627,705</b>	<b>-</b>	<b>-</b>	<b>189,627,705</b>	<b>22,829,378</b>	<b>8,003,735</b>	<b>-</b>	<b>30,833,113</b>
<b>Total (2017-2018)</b>	<b>189,627,705</b>	<b>-</b>	<b>-</b>	<b>189,627,705</b>	<b>15,213,651</b>	<b>7,615,726</b>	<b>-</b>	<b>22,829,378</b>
								<b>166,798,327</b>



**BASHUNDHARA PAPER MILLS LIMITED**  
**Schedule of Right-of-use assets**  
As at 30 June 2020**Annexure-C**

PARTICULARS	COST			DEPRECIATION			Written down value
	Opening balance	Reclassification	Addition	Closing balance	Opening balance	Reclassification	Closing balance
1 Motor Vehicles	-	111,791,600	-	111,791,600	-	56,620,476	41,169,020
Total	-	111,791,600	-	111,791,600	-	56,620,476	41,169,020

**Allocation of depreciation:**

Administrative overhead @ 5%  
Factory overhead @ 95%  
Total

700,105
13,301,999
14,002,104



## Glossary

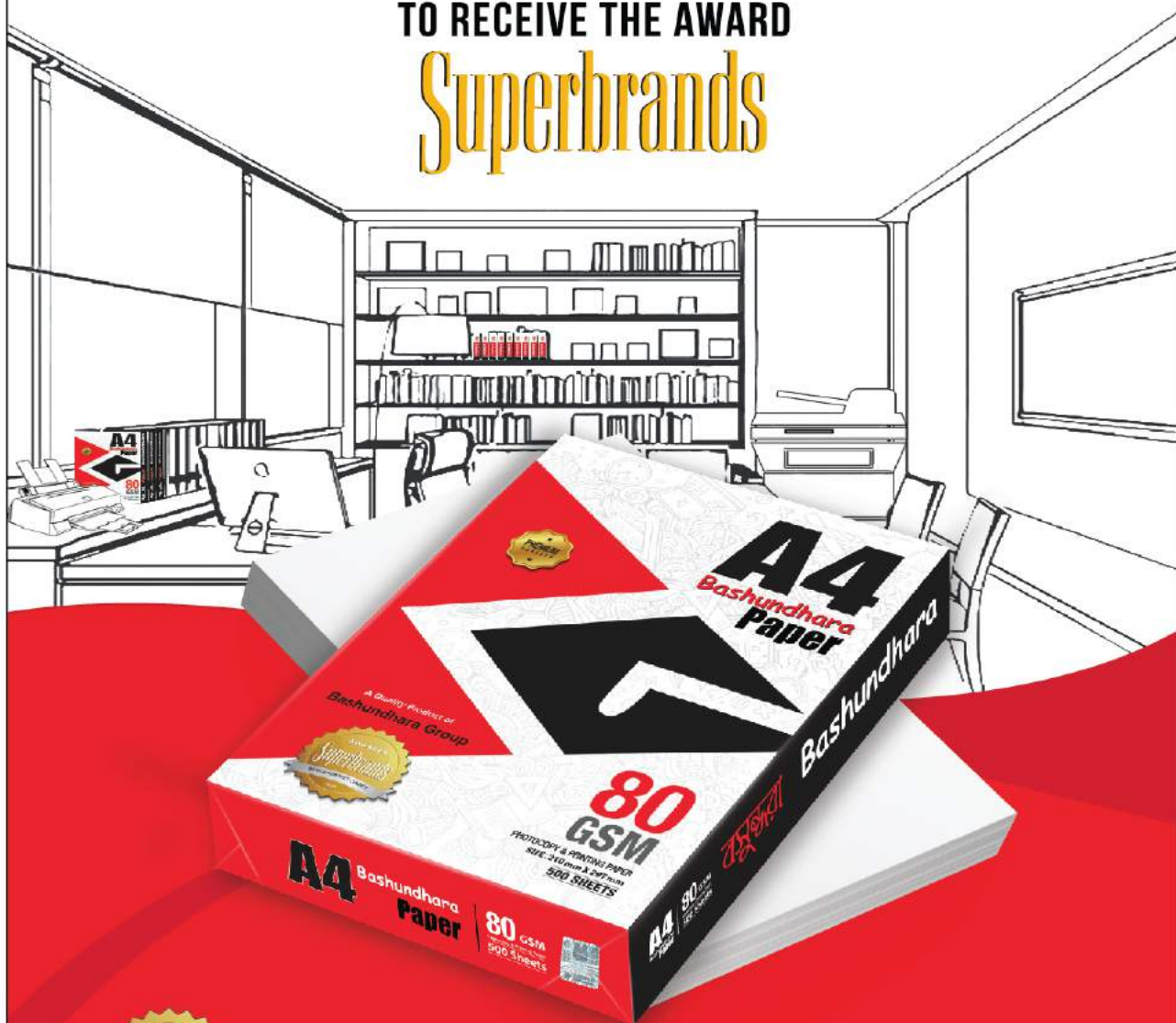
Accounting policies	Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.
AIT	Advance Income Tax
BPML / The Company	Bashundhara Paper Mills Limited
BASs	Bangladesh Accounting Standards
BFRSs	Bangladesh Financial Reporting Standards
BB	Bangladesh Bank
BoD	Board of Directors
Basic earnings per share	Basic income per share
BSEC	Bangladesh Securities & Exchange Commission
Capital/Revaluation reserves	Reserves identified for specific purposes and considered not available for distribution.
CGU	Cash Generating Unit
Contingents Liabilities	Conditions or situations at the balance sheet date the financial effect of which are to be determined by future events which may or may not occur.
DTL/ DTA	Deferred Tax Liability/ Deferred Tax Assets
DTE/ DTI	Deferred Tax Expense/ Deferred Tax Income
Deferred Taxation	The net tax effect on terms which have been included in the income statement, which would only qualify for inclusion on a tax return at a future date.
Diluted earnings per share	Diluted income per share.
Earnings per share	Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.
Equity	Shareholders' fund.
ECL	Expected Credit Loss
Finance lease	Capital lease
FRA	The Financial Reporting Act.
FRC	The Financial Reporting Council
FRS	Financial Reporting Standards
FVOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit and Loss
HC	High Court
IASs	International Accounting Standards
IFRSs	International Financial Reporting Standards
IFRIC	International Financial Reporting Interpretations Committee
ICAB	The Institute of Chartered Accountants of Bangladesh
ITO 1984	Income Tax Ordinance 1984
NAV	Net Assets Value
NAVPS	Net Assets Value per Share
NBR	National Board of Revenue
Net Assets per Share	Shareholders' funds divided by the weighted average number of ordinary shares in issue. A basis of share valuation.
NOCFPS	Net Operating Cash Flow per Share
OCI	Other Comprehensive Income
PPE	Property, Plant and Equipment/ Fixed Assets
Profit	Income
Profit attributable to shareholders	Net income after tax
Share capital	Ordinary shares, capital stock or common stock issued and fully paid.
SIC	Standard Interpretations Committee
WPP & WF	Workers' Profit Participation and Welfare Fund



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**Bashundhara Paper Mills Ltd.**



Bashundhara Paper Mills Ltd.  
Annual Report-2020





# CORPORATE **GOVERNANCE**





# STATEMENT ON CORPORATE GOVERNANCE

## Dear Valued Shareholders,

The Bashundhara Paper Mills Limited has always fulfilled its responsibilities as a trusted business organization and cautious of its obligation to all its stakeholders. We are pleased to present to you the Annual Corporate Governance Report for the FY 2019-2020 of the Company.

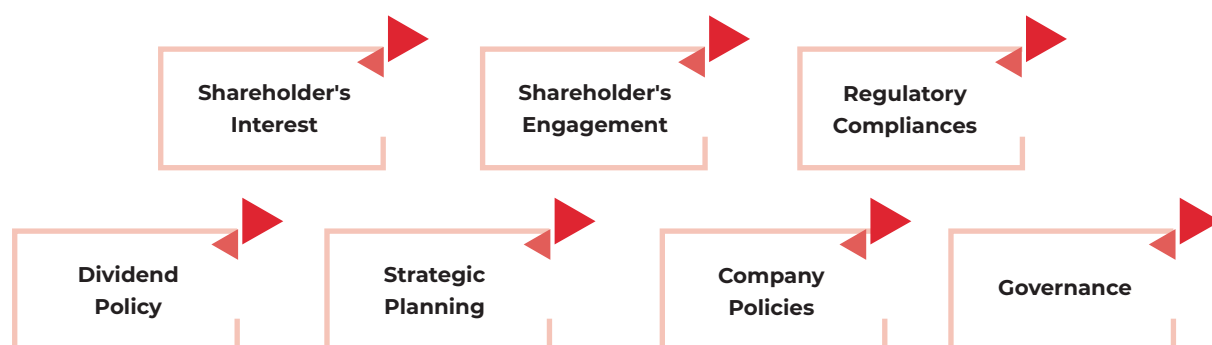
One principle of corporate governance is shareholder recognition, which is a policy that ensures that all shareholders have a say in the inner workings of a company. The Board of the Company are collectively responsible to shareholders for its performance and for the organization's governance framework, its value system and its growth strategies. The Board, comprising luminaries from diverse fields, provide the leadership necessary for the Company to meet its performance objectives within a robust framework of internal processes and controls. Transparency must be apparent, which should take the form of record keeping and reports on income. It is valuable therefore to reflect specifically on the milestones we have attained and the challenges we have considered in our corporate governance journey and to highlight our focus areas for the year ahead.

## Review on FY 2019-2020

As a truly people's entity, the Company is fully transparent and maintains the highest levels of integrity and accountability and best practiced. These practices have also become a key factor for investors and lenders when making their investment and funding decisions. In light of the growing interest among stakeholders, including shareholders and potential investors, we have given due attention in this report to cover governance issues that are of interest to all constituents of our ecosystem. During under reviewed due to global pandemic the capital market was shut down. To protect the interest of the shareholder and to ensure the good governance of the company duly complied all the provision as the regulatory directives. The company believes good governance practices have become substantially important for the development and sustainability of the capital markets and the protection of investor interests. The Compliance Certificate in **Annexure-B** and CG Code Status Report **Annexure-C** as directed by the BSEC and has included in the Annual Report as well.

## Focused area Framework of Corporate Governance

The board and the management of this Company has paying highest concentration to protect the interest of its stakeholders, we are taking as the responsibility to ensure the transparency and accountability in the company which can able to ensure the good governance in company. In view of this we are engaged ourselves in to the frame work and focused with the followings factors -



The Company's corporate governance focused area and framework is also reviewed and updated from time to time by the Board to ensure its relevance, effectiveness and impact in addressing the business challenges in an evolving and also fiercely and unevenly competitive environment.







### The most concentrated area for the Financial Year 2019-2020

- ▶ Companies Act 1994;
- ▶ BSEC'S Order, Directives, Notifications & Guidelines;
- ▶ Stock Exchanges Listing Regulations;
- ▶ Labour Act, 2006;
- ▶ Other applicable Law & Regulations;
- ▶ Provision of the Memorandum and Articles of Association of the Company;
- ▶ Composition of Board, Management & Executive Committee;
- ▶ Independency of the Board & Committee and its effectiveness;
- ▶ Separate entity of key Executive(s) and the role and responsibility;
- ▶ Financial Reporting as per the provision;
- ▶ Statement of delegated authorities of the Company;
- ▶ Statutory General Meeting & Committee meeting;
- ▶ Internal Control system;
- ▶ Corporate Social Responsibility & Relationship;
- ▶ Formulating Eco& Employee friendly work place and policy & guideline; and
- ▶ Standard practices in this sector.

As we believe, we are ensured the mentioned focused and concentrated factors by our strategic decision and administrative activities in the company in light of compliance, accountability and transparency so, we are delighted to report about the existence of good governance in all level of this company.

In conclusion, we uphold our commitment to good corporate governance and pledge to continue to work in meeting the best interests of our shareholders and all other stakeholder groups being a fully compliant entity, the Company upholds the spirit of transparency and accountability to the society through the establishment of an effective governance regime. Hence, the Company drives good governance procedures across all functions, as it is a key input in managing the business professionally, effectively and responsibly, which makes it transparent, ethical and law abiding, while ensuring accountability. And this is way to introduce ourselves be a sustainable develop country.

With best wishes,

Sd/-

**M. Mazedul Islam**

Company Secretary in charge





# REPORT OF AUDIT COMMITTEE

## Report of the Audit Committee for the FY 2019-2020 of Bashundhara Paper Mills Limited

An Audit Committee (AC) was formed under the Code of Corporate Governance introduced by the Bangladesh Securities & Exchange Commission (BSEC) with due course of work and some Terms of Reference as well.

### Audit Committee

The 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 a proper and financially sound manner by following the Corporate Governance Code of BSEC under the reference no. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

This Committee is comprised of three Members, appointed by the Board of the company. The Committee includes one Independent Director, one Sponsor Shareholder/Director and the Company Secretary. The Audit Committee of Bashundhara Paper Mills Ltd. being one of its prime Board Sub-Committees, has been assigned by the Board to discharge its governance and compliance responsibilities.

### Composition of the Audit Committee of Bashundhara Paper Mills Ltd. for the FY 2019-2020

Sl. No.	Name of Members	Position in Company	Position in Committee
1.	Mr. Khawaja Ahmedur Rahman	Independent Director	Chairman
2.	Mr. Imrul Hasan	Director	Member
3.	Mr. M. Naseemul Hye FCS	Company Secretary	Member Secretary

### Qualifications of Members of the Audit Committee

All the Members of the AC of Bashundhara Paper Mills Ltd. 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, finance 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 Committee ensures that adequate internal control, check and balance system are in their places.

### Meeting and attendance by the Members

In the FY 2019-2020 the Committee had four meeting and the proceedings were reported regularly to the Board of Directors. The number of the AC meetings held and attendance of each members during the year 2019-2020 are mentioned below:

Sl. No.	Name of Members	Position	Meeting attendance
1.	Mr. Khawaja Ahmedur Rahman	Chairman	4/4
2.	Mr. Imrul Hasan	Member	4/4
3.	Mr. M. Naseemul Hye FCS	Member Secretary	2/4
	Mr. M. Mazedul Islam		2/4





## Roles and Responsibilities of the Audit Committee

The 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 fulfilment of its responsibilities hold periodic meetings, at least once in a quarter and provide appropriate decision to the management. The Committee meetings usually considered operational performance, financial results, capital expenditures, products lines, procurement of 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.

## Major Roles and Responsibilities of Audit Committee

- ▶ Monitored and reviewed of the quarterly, half-yearly and periodic financial statements, other financial results of the company and on the basis of its review and recommendation the Board of Directors considered those and given its approval;
- ▶ Reviewed and recommended various issues pertaining 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 transactions submitted by the management from time to time;
- ▶ Recommended to the Board of Directors to consider the appointment of the statutory auditors of the Company for the next FY 2019- 2020 in place of the existing auditors considering the proposal of the stakeholders.
- ▶ 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 Committee had discharged the responsibilities as mentioned below:

### Financial Reporting

Reviewed, among other issues, the quarterly, half yearly and the annual financial statements of the company FY 2019-2020. 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

During the year the Committee reviewed the effectiveness of internal control, also reviewed the audit objections and observations raised by the Internal Audit Department and action plans of the Internal Audit Department. It monitored and ensured that the system of internal control was in place, effectively administered. It recommended to the Board of Directors for taking steps needed to improve the system of internal control derived from the findings of the internal and external auditors and from the understanding and by consultations of the audit committee members. In view of all, the Audit Committee is of the opinion that the internal control procedures are adequate to present a true and fair view of the activities and financial status of the Company.

### Audit Committee Reports

The Audit Committee has prepared the annual audit committee report and submitting it to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, summary of its activities during the FY 2019-2020 and the existence of the internal audit services and summary of the activities for its inclusion in the audit report.

### Internal Audit

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 FY 2019-2020.





### External Audit

The Audit 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 to place before the members of the Company for their discussion and consideration in the forthcoming 27th Annual General Meeting. It also reviewed the matters concerning the reappointment and the audit fees of the external auditors.

### Related Party Transaction

In the FY 2019-2020 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 as well as information 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".

### Compliance with existing laws & Regulations:

In the considering year, the directives, notifications, guidelines, rules and regulations of BSEC and the Stock Exchanges and other regulatory agencies and the all internal policies, guidelines & instructions endorsed by the management & Board have been duly complied.

The recommendation of the AC which containing the suggestions and recommendation has duly submit before the board for its visualization of activities.

On behalf of Audit Committee -

Sd/-

**M. Mazedul Islam**  
Member Secretary  
Audit Committee

Sd/-

**Khawaja Ahmedur Rahman**  
Chairman  
Audit Committee





# REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

## Report of the Nomination and Remuneration Committee

Bashundhara Paper Mills Limited was constituted the Nomination and Remuneration Committee (NRC) in accordance with the directives of the Bangladesh Securities and Exchange Commission through its Corporate Governance Code under notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018.

The three members were appointed by the Board of Directors of the Company to adhere the directives as follows:

Sl. no.	Name of members	Position in Company	Position in Committee
1.	Mr. Khawaja Ahmedur Rahman	Independent Director	Chairman
2.	Mr. Md. Imrul Hassan	Director	Member
3.	Mr. M. Mazedul Islam	Company Secretary in charge	Member Secretary

During the period under review the Independent Director of this Company- Mr. Khawaja Ahmedur Rahman re-appointed as the Chairman of the NRC and Mr. M. Mazedul Islam, Company Secretary in charge, performed as the Member Secretary of the NRC as per considering Corporate Governance Code.

## Qualifications of the committee Members

The members possess the pre-requisite knowledge on business management and good governance issues, financially literate and able to analyze, understand and interpret corporate laws, finance and financial tools and have business expertise in their respective arena.

## Major 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 Bashundhara Paper Mills Ltd.

- ▶ The Committee discharged its responsibility by holding a meeting in the FY-2019-2020 and provided required advises recommendation and suggestions to the Board of Directors 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 remunerations of directors, top level executive of the company as well as.
- ▶ The Committee reviewed the drafted succession plan designed for the executive and non-executive appointments to the Board, taking into account the objectives of the Company and the rotation of directors. In this process the Committee also considered the business the skills, commitment and knowledge as to be required for operation of this Company.





## 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 members	Position	Meeting held & Attendance
1.	Mr. Khawaja Ahmedur Rahman	Chairman	1/1
2.	Mr. Md. Imrul Hassan	Member	1/1
3.	Mr. M. Mazedul Islam	Member Secretary	1/1

## Activity summary of NRC during the FY 2019-2020

- ▶ During the year under review the Committee has evaluated for recommendation of 02 (two) non-executive Directors- i. Mr. Imrul Hassan and ii. Mr. Md. Nazmul Alam Bhuiyan Nominated Director of East West Properties Development (Pvt.) Ltd. who were to resign by rotation and eligible for their re-elections/ appointments as per the provisions of the Article no. 100 and Article no. 101 of the Article of Association of the Company.
- ▶ Guidance to the Board for the composition board along with their practical experience and reputation;
- ▶ Evaluation and recommendation to revised the top management compensation in line of the requirement, expertise, market demand and availability in the related filed;
- ▶ Considered and accommodated various issues in connection with appointments, retirements in the Board of Directors;
- ▶ Reviewed the issues including the company's requirement for employees as to be placed at different levels, review the employee benefits as policies of company and determine their selection procedures and criteria;
- ▶ Reviewed the performance of the senior-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 vacancy positions or new position or recommend to create new position and reported and/or recommended and forward to the board for ultimate appraisal;
- ▶ Overseen other issues within the Code of Conduct of the NRC.

The Committee expressing its of the view that the nomination, re-election and remuneration as well as internal control were adequate to present a true and fair view of the Administration, HR activities and Internal Governance status of the Company. The Report of NRC is made in accordance with resolution of the Board of Directors on 25 June 2020.

On behalf of Nomination and Remuneration Committee -

Sd/-

**M. Mazedul Islam**  
Member Secretary  
Nomination and Remuneration Committee

Sd/-

**Khawaja Ahmedur Rahman**  
Chairman  
Nomination and Remuneration Committee



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শীতল মুরভিত স্পর্শ



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# CERTIFICATE ON CORPORATE GOVERNANCE CODE

## Annexure-B

[as per condition No.1(5)(xxvii) of the CG Code,2018]

### Report to the Shareholders of Bashundhara Paper Mills Limited On Compliance of Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Bashundhara Paper Mills Limited for the year ended 30 June, 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/ 207/ Admin/80 dated 3 June, 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 the 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;
- 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;
- Proper books and records have been kept by the company as required under the Companies Act,1994, the securities laws and other relevant laws; and
- The governance of the company is satisfactory.

For: Itrat Husain & Associates

Sd/-

**Itrat Husain FCMA, FCS**

Chief Executive

Dhaka, 07 November, 2020



# STATUS REPORT ON CORPORATE GOVERNANCE CODE

## Annexure-C

[as per condition No. 1(5)(xxvii) of the CGCode,2018]

### Corporate Governance Code Disclosures of Bashundhara Paper Mills Ltd. for the Financial Year 2019-2020

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 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 Director				
1(1)	Total number of Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty);	√		
1(2)(a)	One-fifth (1/5) of the total number of directors in the company's Board be Independent Directors (ID);	√		
1(2)(b)(i)	ID does not hold any shares or holds less than one percent (1%) shares in the company;	√		
1(2)(b)(ii)	ID not a sponsor of the company nor connected with any sponsor/director/nominated director/ 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 by family relationship and his/ her family members also shall not hold above mentioned shares in the company;	√		
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;	√		
1(2)(b)(v)	who is not a member or TREC 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;	√		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1. Board of Director				
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;	✓		
1(2)(b)(viii)	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 loan defaulter of Bank or NBFIs);	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	Independent director(s) shall be appointed by the Board and approved by the shareholders in the AGM;	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	✓		
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;	✓		
1(3)(a)	Independent director shall be a knowledgeable individual with integrity.	✓		
1(3)(b)(i)	ID is business leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100 million or any listed company or a member of any national or international chamber of commerce or business association;	✓		
1(3)(b)(iii)	who is or was a top level executive not lower than CEO/MD/DMD/CFO/Head of Finance or Accounts/ CS/HIAC/Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up-capital of Tk.100.00 million or of a listed company;			n/a
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;			n/a
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			n/a





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1. Board of Director				
1(3)(b)(v)	Professional who is or was an Advocate practicing at least in the High Court Division of Bangladesh Supreme Court or CA/CMA/CFA/CCA/CPA/ Chartered Management Accountant/ CS or equivalent qualification;			n/a
1(3)(c)	Independent director shall have at least 10 (ten) years of experiences in any field as clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			n/a
1(4)(a)	Chairperson of the Board and the MD and/or CEO of the company shall be filled by different individuals;	✓		
1(4)(b)	MD and/or CEO of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	Board shall clearly define respective roles and responsibilities of the Chairperson and the MD and/or CEO;	✓		
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;	✓		
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 and negative impact on environment, if any;	✓		
1(5)(vi)	A discussion on COGS, GP Margin and NP 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;	✓		





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1. Board of Director				
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 IPO, RPO, Rights Share Offer, Direct Listing, etc.;			n/a
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual F/S;			n/a
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the F/S prepared by the management of the issuer company present fairly its state of affairs	√		
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 IAS or IFRS, as applicable in Bangladesh, have been followed in preparation of the FY 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 there of shall be disclosed;	√		
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;	√		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1. Board of Director				
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		
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;	✓		
1(5)(xxii)	Total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			n/a
1(5)(xxiii)(b)	Directors, CEO, CS, CFO, HIAC and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives;	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)(a)	a brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of Directors expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
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;	✓		





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1. Board of Director				
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;	√		
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 and Annexure-C.	√		
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records..	√		
1(7)(a)	The Board shall lay down a code of conduct, based on the NRC at condition No. 6.	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	√		
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;			n/a
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;			n/a
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;			n/a
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;			n/a







Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			n/a
<b>3. MD/CEO/CFO/HIAC and CS</b>				
3(1)(a)	The Board shall appoint a MD or Chief Executive CEO, a CS, a CFO and a HIAC;	✓		
3(1)(b)	The positions of the MD or Chief Executive Officer CEO, CS, CFO and 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	✓		
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		
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.	✓		
<b>4. Board of Directors' Committee</b>				
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee	✓		
<b>5. Audit Committee</b>				
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5.	Audit Committee			
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the FS reflect true and fair view of the state of affairs of the company.	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board;	✓		
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 non-executive 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;	✓		
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.	✓		
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, under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting.	✓		
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5.	Audit 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;	✓		
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process 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 F/S 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/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 IPO/ RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	✓		
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(iii)(a)	Report on conflicts of interests;	✓		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5. Audit Committee				
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;			n/a
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			n/a
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			n/a
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			n/a
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)(a)	NRC as a sub-committee 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)(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;	✓		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6. Nomination and Remuneration Committee (NRC)				
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;	✓		
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;			n/a
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 or fees other than Director's fees or honorarium from the company.	✓		
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)	Chairperson of the NRC shall attend the AGM to answer the queries of the shareholders;	✓		
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;			n/a





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6. Nomination and Remuneration Committee (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.	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes.	✓		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
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;	✓		
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;	✓		
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.	✓		





Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7. External or Statutory Auditors				
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;			n/a
7(1)(v)	Actuarial services			n/a
7(1)(vi)	Internal audit services or special audit services;			n/a
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.	✓		
7(3)	Representative of External or Statutory Auditors present in the Shareholders' Meeting AGM or EGM.	✓		
8. Maintaining a Website				
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 per listing regulations.	✓		
9. Reporting and Compliance of Corporate Governance				
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (CA or CMA or CS) and disclosed in the Annual Report.	✓		
9(2)	The Compliance Auditors' 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	✓		







# শিশুর কোমল ত্বকে শীতল মুরভিত সঙ্গ



আপনার সন্তান থাকুক সুস্থ ও জীবাণুমুক্ত

ই কেয়ার লাইন  
১৬৩৩৯

SCAN & SHARE  
your moments



Facebook: BashundharaDiapant

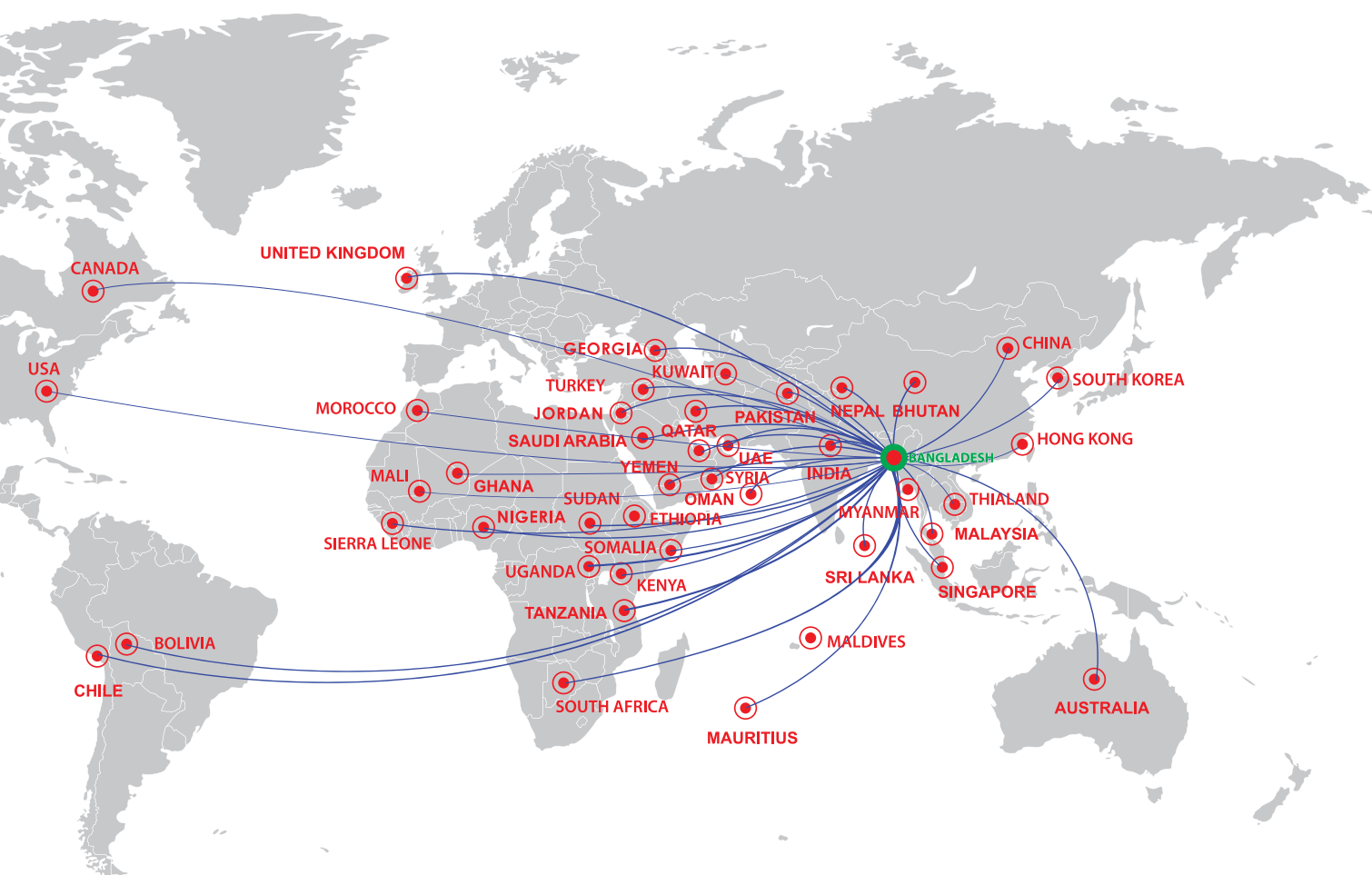




# ACHIEVEMENTS & OTHERS



# GLOBAL FOOTPRINT OF BPML



Export destination of paper & paper products of the company.



# AWARD AND CERTIFICATION









# CORPORATE SOCIAL RESPONSIBILITY



**Humanitarian  
supports during  
Covid-19 period**

**Bashundhara  
extends its  
assistance for  
the treatment  
of the poor  
cardiac children  
at Ibrahim  
Cardiac Hospital  
& Research Institute**



**Bashundhara  
has been regularly  
on the side of  
Ad-Din Hospitals**





**Billboard**



**Shelf branding at Super shops**



## BRAND COMMUNICATIONS



**Community Bell sign**



**Road divider**



**Passenger shade**



**Turn info at Residential area**





## Public bus branding



## Airport branding



## Covered van branding







# 26TH AGM IN ACTION







# PROXY FORM



## Notes

[illegible]



# Bashundhara Paper Mills Ltd.

Registered Office: Plot-125/A, Road-2, Block -A, Bashundhara R/A, Dhaka-1229

## PROXY FROM

I/We.....of.....

being Member of Bashundhara Paper Mills Limited, hereby appoint .....

of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on Thursday, 24 December, 2020 at 10:30 AM (local time) and/or at any adjournment thereof.

As witness I/We put my/our hand this ..... day of.....2020.

Signature of the Shareholder : .....

Signature of the Proxy : .....

Register Folio no./BO ID no. : .....

Numbers of shares held : .....

Affix  
the revenue  
stamp of  
Taka 20/-

**Note:** A Member entitled to attend and vote at the Annual General Meeting, may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be deposited at the Registered Office of the company or email to [cosec\\_bpml@bg.com.bd](mailto:cosec_bpml@bg.com.bd) not later than 72 hours before the time fixed for the meeting.



# Bashundhara Paper Mills Ltd.

Registered Office: Plot-125/A, Road-2, Block -A, Bashundhara R/A, Dhaka-1229

## ATTENDANCE SLIP

I, hereby record my attendance at the **27<sup>th</sup> ANNUAL GENERAL MEETING** being held on Thursday, 24 December, 2020 at 10:30 AM (local time) through Digital Platform.

Name of Shareholder : ..... Signature of Shareholder : .....

Folio no./BO ID no. : ..... Numbers of shares held : .....

Name of Proxy : ..... Signature of proxy : .....





# বসুন্ধরা পেপার মিলস্ লি:

রেজিস্টার্ড অফিসঃ প্লট-১২৫/এ, রোড-২, ব্লক-এ, বসুন্ধরা আ/এ, ঢাকা-১২২৯

## প্রতিনিধি/প্রক্সি ফরম

আমি/আমরা -----

ঠিকানা -----

আমি/আমরা বসুন্ধরা পেপার মিলস্ লিমিটেড এর সদস্য। আমার/আমাদের প্রতিনিধি হিসেবে আগামী ২৪ ডিসেম্বর, ২০২০ইং তারিখ বৃহস্পতিবার, সকাল ১০:৩০ ঘটিকায় (স্থানীয় সময়) অনুষ্ঠিতব্য অত্র কোম্পানীর ২৭তম বার্ষিক সাধারণ সভায় এবং এর মূলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকার এবং ভোট প্রদান করার জন্য নিম্নোক্ত প্রতিনিধিকে নিযুক্ত করলামঃ

প্রতিনিধির নামঃ জনাব/জনাবা -----

ঠিকানা -----

অত্র প্রক্সি ঘোষনার স্বাক্ষর হিসেবে অদ্য -----২০২০ইং তারিখে আমি/আমরা সজ্ঞানে আমার/আমাদের স্বাক্ষর প্রদান করলাম।

সদস্যের স্বাক্ষর : -----

প্রতিনিধির স্বাক্ষর : -----

বিও আইডি/ফলিও নং : -----

ধারনকৃত শেয়ার সংখ্যা : -----

বিঃদ্রঃ ২৭তম সভায় সংযুক্ত ও ভোট দানের জন্য যোগ্য যে কোন সদস্য, তার পরিবর্তে অন্য যে কোন সদস্য (Proxy) হিসাবে নিয়োগ প্রদান করতে পারবেন। প্রক্সি (Prox) ফরমে ২০/- টাকা মূল্যমানের রাজস্ব টিকেট সংযুক্ত করে তা যথাযথভাবে পূরণ-পূর্বক বার্ষিক সভা শুরু হবার অন্তত ৭২ ঘন্টা পূর্বে কোম্পানীর শেয়ার বিভাগে অথবা ই-মেইলের মাধ্যমে

cosec\_bpml@bg.com.bd ঠিকানায় পৌছাতে হবে।



# বসুন্ধরা পেপার মিলস্ লি:

রেজিস্টার্ড অফিসঃ প্লট-১২৫/এ, রোড-২, ব্লক-এ, বসুন্ধরা আ/এ, ঢাকা-১২২৯

## উপস্থিতি পত্র :-

আমি/আমরা বসুন্ধরা পেপার মিলস্ লিমিটেড এর ২৭তম বার্ষিক সাধারণ সভা যা ডিজিটাল প্ল্যাটফর্মের মাধ্যমে অদ্য বৃহস্পতিবার, ২৪ ডিসেম্বর ২০২০ইং তারিখে সকাল ১০:৩০ ঘটিকায় (স্থানীয় সময়) অনুষ্ঠিতব্য সভায় আমার/আমাদের উপস্থিতি লিপিবদ্ধ করিলাম।

সদস্যের নাম : ..... সদস্যের স্বাক্ষর : .....

বিও আইডি/ফলিও নং : ..... ধারনকৃত শেয়ার সংখ্যা : .....

প্রতিনিধির নাম : ..... প্রতিনিধির স্বাক্ষর : .....







## **Bashundhara Paper Mills Ltd.**

A Concern of Bashundhara Group

### **Registered Office:**

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Dhaka-1229.

### **Head Office:**

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Plot-56/A, Umme Kulsum Road, Block-C  
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