

# ANNUAL REPORT 2021



**Retention to  
Success**



**Bashundhara Paper Mills Ltd.**  
An Enterprise of Bashundhara Group



## Retention to Success

Business success is a natural process of adaptation and development that occurs under favorable conditions. The success of a business similar to that of a human being who passes through the stages of infancy, childhood, adulthood and maturity. A reasonable growth in line to every stages is essential for a successful business. Businesses don't grow by themselves. To achieve organic growth, it need to put in place systems to drive the growth. A business organizations' aims to earn desired yield or revenue from the invested capital. It is possible to protect and maximize the return on investment through efficient capital management with maintain the ethical values of the business. Gaining confidence in a competitive market by ensuring domestic and international business discipline, is defined as the accepted definition of the success for an organization.

Not only by horizontal growth but grow up by vertically an origination can embrace the meaningful success. In this report the tag line "Retention to Success" has used which directed reconfirmation of continued success to the organization in every dimension even any adverse circumstances. The upward arrow emblem with the image of the organization including manufacturing activities indicates the growth direction, as the growth metaphor through this organization. In other view the illustrated theme has a complete reflection of combined developments of Bashundhara Papers Mills Limited.

## Annual Report 2021

"ধনধান্য পুষ্প ভরা, আমাদের এই বসুন্ধরা ।  
তাহার মাঝে আছে দেশ এক, সকল দেশের সেরা ।  
ও সে স্বপ্ন দিয়ে তৈরি সে দেশ, স্মৃতি দিয়ে ঘেরা ।  
এমন দেশটি কোথাও খুঁজে, পাবে নাকো তুমি ।  
ও সে সকল দেশের রাণী সে যে, আমার জন্মভূমি ।"  
-দ্বিজেন্দ্রলাল রায়

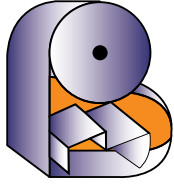


রক্তশ্রুতি মহান বিজয়ের সুবর্ণজয়ন্তীতে আমরা গভীর কৃতজ্ঞতা ও  
স্বপ্নদ্রা সালাম জানাই সকল বীর মুক্তিযোদ্ধা ও স্বাধীনতা যুদ্ধের সকল  
শহীদদের প্রতি, যাদের অসীম আত্ম ত্যাগের মাধ্যমে অর্জিত  
হয়েছে একটি ঠিকানায়ুক্ত মানচিত্র-স্বাধীন সার্বভৌম বাংলাদেশ ।



**Bashundhara Paper Mills Ltd.**





# Bashundhara Paper Mills Ltd.

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



*Inspired by its group moto and with  
a glorious track-record the  
Bashundhara Paper Mills Limited  
has stepped in 28 years' as a  
prestigious flagship  
of-*



**BASHUNDHARA GROUP**

*For the People, for the Country*



# ABOUT THE REPORT

## Report period

The Annual Report -2021 of Bashundhara Paper Mills Limited covers the period from 01 July 2020 to 30 June 2021 except some information regarding shareholding as on record date. The report includes all the notable or material factor/events after mention period. This report aims to address value-creation considerations of long-term investors, but also provides appropriate information for all our other stakeholders. Any statements or information relating to future operations and performance of this company which mentioned in the report are not guarantees of future operating, financial or other results and involve uncertainty, as they rely on future circumstances. So, ultimate results and outcomes may differ.

## Report for

This Report has been prepared for all the stakeholders of Bashundhara Paper Mills Limited. The report also contains comprehensive information and disclosures that meet the diverse information useful for the stakeholders and related obligations of all regulatory authorities as well. The report enables an opportunity for us to provide the material information and commentary thereon for the assessment of the year under review.

## Report includes

This report has been prepared as an integrated reporting process which has covered all the information /statements of productions and effective board and management systems. The report emphasized on-

- Company overview;
- Leadership of the company;
- Information for Shareholders;
- Financial Statements;
- Business of industry analysis;
- Performance analysis of the company;
- Investment information;
- Corporate social responsibility and
- Activities of Corporate Governance.

This compressive information represents the good governances in the company and the commitment of the Board of Directors, efficiency and professional attitude of management team and all employees who are engaged their best effort to achieve the organizational common goal.

## Material factors

Concentrating on the material factors which includes those issues that could substantially affect to create value over the short and long-term in integrated reporting process. The global pandemic crisis for COVID-19 and commend on the market share in the industry became a primary focus during the year. Furthermore, the retention of efficient employees, contribution in national growth, financial performance, corporate social responsibility, good governance practices and protect the interest of shareholder are also the prime focused area of the material factor of the company.

**By the disclosed all material information with the transparency and consider the scope of right to information, the Bashundhara Paper Mills Limited has ensured the value creation with the stakeholders by this report.**

# CONTENTS

## 01

### Theme Page

Cover Rationale .....	01
A pictorial view of BPML with BG logo ..	02
About Report .....	03
Letter of Transmittal .....	07

## 04

### 28th AGM

Contants .....	04
AGM Notices (English Version) .....	08
AGM Notices (Bangla Version) .....	09
Access process to join AGM .....	10

## 12

### Company Over View

Performance at Glance .....	12
Overview on Group .....	14
Overview on BPML .....	15
Our Mission .....	18
Our Values .....	19
Commitment and Priority .....	20
Code of Conducts .....	22
Policy of BPML .....	23
Corporate Directory .....	25
Organogram of BPML .....	27
Time line of BPML .....	28

## 32

### Leadership

Message from Chairman .....	32
Managing Director's Review .....	34
Board of Directors .....	37
Director's Profile .....	38



# 42

## Information for Shareholders

Director's Report to Shareholder .....	42
Management Discussion & Analysis.....	61
Industry Challenges .....	63
Financial Highlights of Five Years .....	68
Graphical Presentation .....	69
Wealth Creation & Distribution Statement ..	71
Economic Value-Added Statement .....	72
Market Value-Added Statement .....	73
Performance of Quarterly FS of 2020-21....	74
Communication of Shareholders .....	76
Shareholding Information for Investors ...	77

# 148

## Corporate Governance

Corporate Governance Statement .....	148
Reports of the Audit Committee .....	150
Reports of the NR Committee .....	153
CG Compliance Certification .....	155
Status Report on CG Code .....	156

# 174

## Proceedings

Proceeding of the 27th annual General Meeting .....	174
---	-----

# 80

## Financial Statements

CFO & CEO Declaration on Financial Statements .....	80
Independent Auditors' Report to the Shareholders .....	81
Statement of Financial Position .....	85
Statement of Comprehensive Income ...	86
Statement of Changes in Equity .....	87
Statement of Cash Flow .....	88
Notes to Financial Statements .....	89

# 166

## Achievement & Others

Global Footprint of BPML .....	166
Awards and Certification .....	168
Corporate Social Responsibility .....	170
Brand Communications .....	171
27th AGM in Action .....	173

# 178

## Shareholders Attendance Form

Proxy Form (English Version) .....	178
Proxy Form (Bangla Version) .....	179

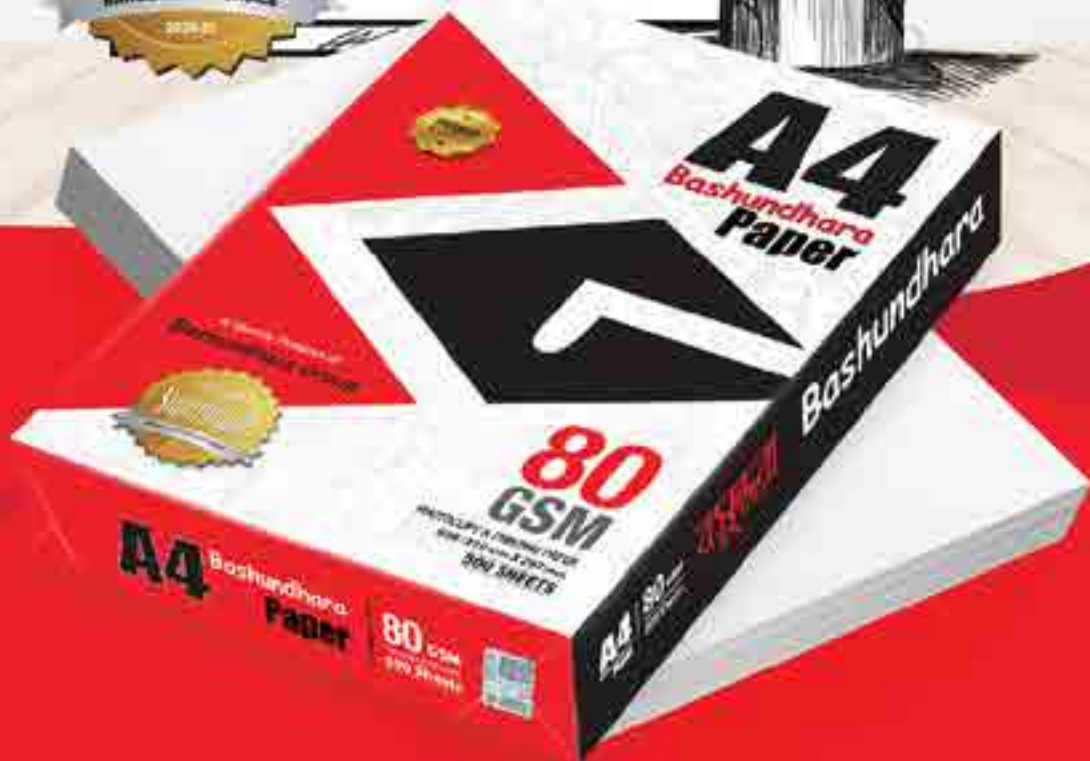




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Bashundhara Paper Mills Ltd.

# LETTER OF TRANSMITTAL

**All Shareholders 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;  
Other Stakeholders.**

**Concertation: Annual Report of Bashundhara Paper Mills Limited for the year ended 30 June 2021.**

Dear Sir (s),

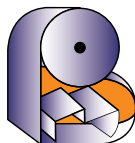
We are pleased to present before you the Annual Report of the Bashundhara Paper Mills Limited (BPML) along with the audited Financial Statements as on 30 June 2021 for your kind information and record.

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

Yours sincerely,

Sd/-  
**M. Mazedul Islam**  
Company Secretary

# NOTICE OF THE 28TH ANNUAL GENERAL MEETING



**Bashundhara Paper Mills Ltd.**

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

## NOTICE OF THE 28th ANNUAL GENERAL MEETING

(Virtual Meeting through Digital Platform)

Notice is hereby given that the 28th Annual General Meeting of the Members of Bashundhara Paper Mills Limited will be held on Tuesday, 28th December, 2021 at 11:00 AM (local time) by using Digital Platform through the link- <http://bpml.digitalagmbd.net> to transact the following business:

### Agenda:

1. To receive, consider and adopt the Directors' Report, the Auditors' Report and the Audited Financial Statement of the Company for the Financial Year ended on 30 June 2021;
2. To declare and approval of Dividend for the Financial Year ended on 30 June 2021;
3. To elect the Directors of the Company;
4. To appoint Statutory Auditors for the Financial Year 2021-2022 and to fix their remunerations;
5. To appoint Compliance Auditors for the Financial Year 2021-2022 and to fix their remunerations.

By Order of the Board of Directors

Sd/-  
**M. Mazedul Islam**  
Company Secretary

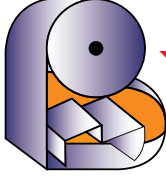
**Date:** 23 November, 2021

### Notes:

- i. The **"Record Date"** of the Company has been fixed on **30/11/2021**. 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 and entitle to receive the dividends;
- ii. The 28th AGM of the Company would be conducted through **"Digital Platform"** in accordance with the Order No. SEC/ SRMIC/04-231/25 dated 8 July 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 available with the registers on the record date. The members will be log-in with the link 24 hours before the time fixed for the Meeting for express 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 BDT 20/- and must be sent through at the email to **cs.bpml@bgc-bd.com** not later than 72 hours before the time fixed for the Meeting;
- v. Members are requested to notify the changes of their Bank Account, addresses, contacts, including email address, through their respective Depository Participants (DP) well in time; all communicational information will be accepted through verified by CDBL as on Record date.
- vi. The soft copy of the Annual Report-2021 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/CMRRCD/2006-158/208/Admin/81 dated 20, June 2018. The Annual Report-2021 will also be available in the website **www.bashundharapapermills.com** of the Company.



# ২৮তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি



## বসুন্ধরা পেপার মিলস্ লি:

রেজিস্টার্ড অফিস : ১২৫/এ, রোড-২, ব্লক-এ, বসুন্ধরা আবাসিক এলাকা, ঢাকা-১২২৯

### ২৮তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

(ডিজিটাল প্ল্যাটফর্মের মাধ্যমে)

এতদ্বারা বসুন্ধরা পেপার মিলস্ লিমিটেডের সকল শেয়ারহোল্ডারবৃন্দ সহ সংশ্লিষ্ট সকলের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আগামী ২৮ ডিসেম্বর, ২০২১ইং রোজ মঙ্গলবার সকাল ১১.০০ ঘটিকায় ডিজিটাল প্ল্যাটফর্মের মাধ্যমে [link-http://bpml.digitalagmbd.net](http://bpml.digitalagmbd.net) ব্যবহার করতঃ অত্র কোম্পানীর ২৮তম বার্ষিক সাধারণ সভা নিম্নবর্ণিত বিষয়াদি সম্পাদনকল্পে অনুষ্ঠিত হবেঃ

#### আলোচ্য-সূচীঃ

১. ৩০শে জুন ২০২১ইং তারিখে সমাপ্ত আর্থিক বৎসরের নিরীক্ষিত বার্ষিক আর্থিক প্রতিবেদন এবং তৎসঙ্গে নিরীক্ষক ও পরিচালকমন্ডলীর প্রতিবেদন সমূহ গ্রহণ, বিবেচনা ও অনুমোদন;
২. ৩০শে জুন ২০২১ইং তারিখে সমাপ্ত আর্থিক বৎসরের জন্য লভ্যাংশ ঘোষণা ও অনুমোদন;
৩. অত্র কোম্পানীর পরিচালকগণের নির্বাচন;
৪. ২০২১-২০২২ইং আর্থিক বৎসরের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
৫. ২০২১-২০২২ইং আর্থিক বৎসরের জন্য কমপ্লায়েন্স নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

পরিচালকমন্ডলীর আদেশক্রমে

স্বাক্ষরিত

এম. মাজেদুল ইসলাম

কোম্পানী সচিব

তারিখ- ২৩ নভেম্বর, ২০২১ইং

#### দ্রষ্টব্যঃ

১. অত্র কোম্পানীর “রেকর্ড ডেট” ৩০/১১/২০২১ ইং তারিখে নির্ধারণ করা হয়েছে। উক্ত তারিখে যে সকল শেয়ার হোল্ডারগণের নাম অত্র কোম্পানীর সদস্য বহিতে (ডিপোজিটরী) অন্তর্ভুক্ত থাকবে তাঁরা অত্র কোম্পানীর ২৮তম বার্ষিক সাধারণ সভায় যোগদান ও ঘোষিত লভ্যাংশ প্রাপ্তির জন্য যোগ্য বলে বিবেচিত হবেন।
২. বিএসইসি-এর নির্দেশনা নং SEC/SRMIC/০৪-২৩১/২৫ তারিখ ০৮ জুলাই ২০২০ অনুযায়ী ২৮তম বার্ষিক সাধারণ সভা ডিজিটাল প্ল্যাটফর্মের মাধ্যমে অনুষ্ঠিত হবে।
৩. ২৮তম 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. ২৮তম 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 [cs.bpml@bgc-bd.com](mailto:cs.bpml@bgc-bd.com) ঠিকানায় পৌঁছাতে হবে।
৫. সম্মানিত শেয়ারহোল্ডারগণের ব্যাংক হিসাব, ঠিকানা, ই-মেইল ঠিকানা, ফোন নম্বর সহ পরিবর্তন বিষয়ক তথ্যাদি সংশ্লিষ্ট (ডিপোজিটরী পার্টিসিপেন্ট) এর মাধ্যমে অত্র কোম্পানীকে যথাসময়ে অবহিত করার জন্য অনুরোধ করা যাচ্ছে। রেকর্ড ডেট অনুযায়ী যোগাযোগের সমস্ত তথ্য সি ডি বি এল কর্তৃক যাচাইকৃত হতে হবে।
৬. বিএসইসি-এর নির্দেশনা নং : BSEC/CMRRCD/২০০৬-১৫৮/২০৮/এডমিন/৮১ তারিখ ২০ জুন, ২০১৮ অনুযায়ী ই-মেইলের মাধ্যমে সম্মানিত শেয়ার হোল্ডারগণকে ২০২০-২০২১ইং 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।

# ACCESS PROCESS TO JOIN 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 28th Annual General Meeting through digital platform in accordance with the BSEC's order no. SEC/ SRMIC/04-231/25 dated 8 July 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-

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

### Login 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.

## 28th AGM Helpline:

**Mr.M.Mazedul Islam**

cs.bpml@bgc-bd.com

**Mr. Mahbubur Rahman**

mahbubur.rahman@bgc-bd.com

**Md. Golam Morshed**

golam-morshed@bgc-bd.com

Tel: +88 02 8432289-93, Ext-4449 and 4450

Fax: +88 02 55037257

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



You may download a digital copy of the Annual Report-2020-21 by scanning this QR code on your smart device.



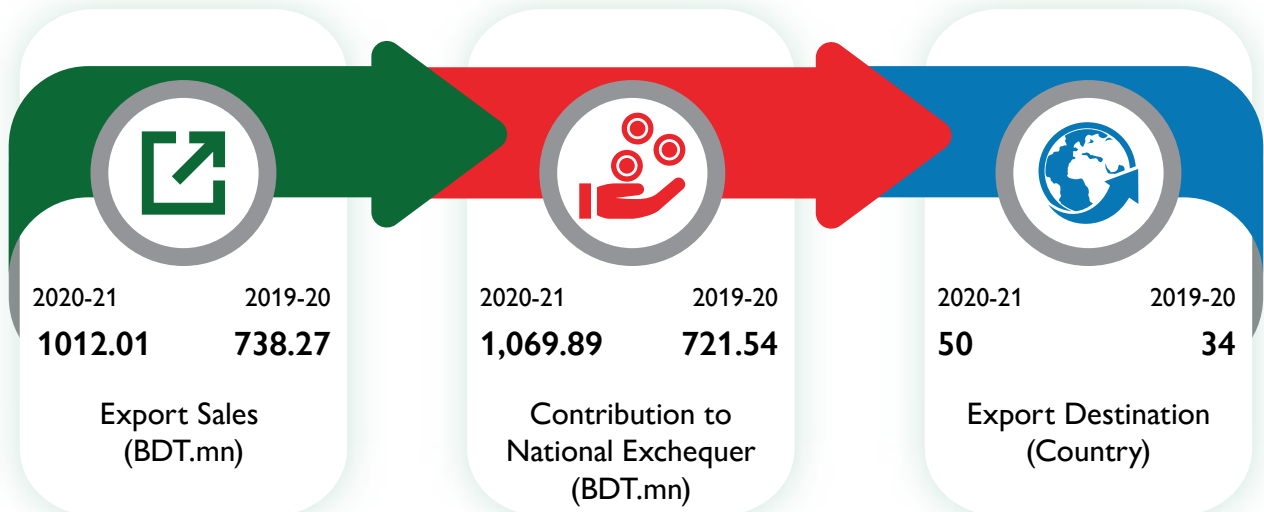
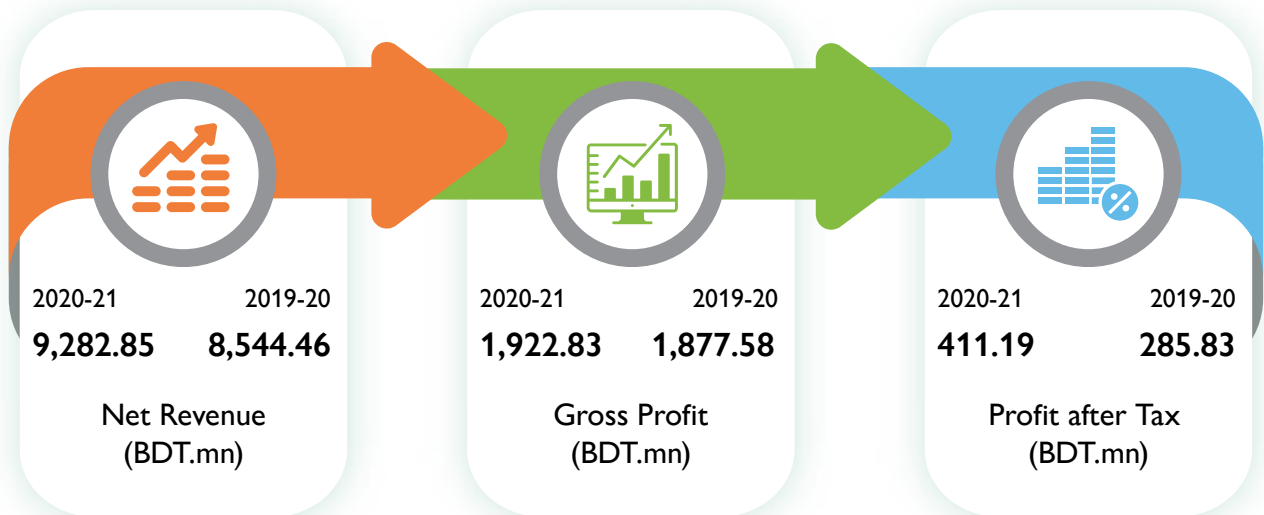
You may also download a copy of this Annual Report from the **website:**  
[www.bashundharapapermills.com](http://www.bashundharapapermills.com)

# COMPANY OVERVIEW





# PERFORMANCE AT A GLANCE FY 2020-2021





# 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.

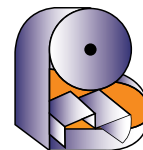
A micro-credit program under Bashundhara Foundation, Bashundhara Technical Institute, Bashundhara ad-din Medical College Hospital, Bashundahara Eye Hospital & Research Institute and Bashundhara Special Children Foundation are being operated by the assistance and patronization of the group. The group 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 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 50 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 sector of this country.

### BPML (Unit-2)

It was formally known as Bashundhara 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.



CONSECUTIVE **2** TIMES

IN HONOUR OF EXCELLENCE

**Superbrands**  
AWARDED TO  
**Bashundhara  
Paper**



# 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 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 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 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.

# CODE OF CONDUCT

*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 BPML

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 up gradation 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

<b>Name of the Company</b>	: Bashundhara Paper Mills Ltd.			
<b>Legal Status of the Company</b>	: Public Limited Company (listed)			
<b>Date of Incorporation</b>	: 28 September, 1993			
<b>Financial Year</b>	: 30 June			
<b>Listing at Stock Exchange</b>	: DSE	: June, 2018	CSE	: June, 2018
<b>Category in Stock Exchange</b>	: DSE	: A	CSE	: A
<b>Capital of the Company</b>	: Authorized	: 500 Cr.	Paid-Up	: 173.17 Cr.

	Category	Percentage of Shares
<b>Composition of Ownership</b> As on 30 June 2021	Board of Directors (incl.MD)	67.47%
	Sponsor Shareholders (incl. pre-IPO Sponsors)	17.55%
	Institutions	8.05%
	General Public	6.93%
	<b>Total</b>	<b>100%</b>

	Name	Person in Company
<b>Composition of Board</b>	Mr. Ahmed Akbar Sobhan	Chairman
	Mr. Md. Imrul Hassan	Director
	Mr. Md. Nazmul Alam Bhuiyan	Director (Nominated)
	Mr. Khawaja Ahmedur Rahman	Independent Director
	Mr. Safwan Sobhan	Managing Director

	Name	Position in Committee
<b>Audit Committee</b>	Mr. Khawaja Ahmedur Rahman	Chairman
	Mr. Md. Imrul Hassan	Member
	Mr. Md. Nazmul Alam Bhuiyan	Director (Nominated)
	Mr. M. Mazedul Islam	Member Secretary

	Name	Position in Committee
<b>Nomination &amp; Remuneration Committee</b>	Mr. Khawaja Ahmedur Rahman	Chairman
	Mr. Md. Imrul Hassan	Member
	Mr. Md. Nazmul Alam Bhuiyan	Director (Nominated)
	Mr. M. Mazedul Islam	Member Secretary

	Name	Position in Company
<b>Compliance Committee</b>	Mr. Safwan Sobhan	Managing Director
	Mr. Mirja Mujahidul Islam	Chief Financial Officer
	Mr. M. Mazedul Islam	Company Secretary

	<b>Name of Members</b>	<b>Position in Company</b>	<b>Position in Committee</b>
<b>Executive Committee</b>	Mr. Safwan Sobhan	Managing Director	Chairman
	Ms. Yeasha Sobhan	Director	Vice-Chairman
	Mr. Md. Mustafizur Rahman	Dy. Managing Director	Executive Member
	Mr. Md. Aman Ullah	Sr. ED (Construction)	Member
	Mr. Khairul Bashir Khan	Head of Logistics	Member
	Mr. Md. Abul Hasan	Head of Project, BPML-3	Member
	Mr. S.M. Sorowar	Head of Project, BPML-1	Member
	Mr. Mirja Mujahidul Islam	CFO	Member
	Mr. Nihar Ranjan Sarkar	Head of Project, BPML-2	Member
	Mr. Md. Delwar Hossain	CHRO	Member
	Mr. Md. Masudur Rahman	CSO	Member
	Mr. Mohammad Kamrul Hassan	HOD (A&F)	Member
	Mr. Mohammad Nurul Huda	HOD (Banking)	Member
	Mr. Mohammad Eleas Hossain	Head of Internal Audit & Compliance	Member
	Mr. Khijir Ahammed	GM (Supply Chain)	Member
	Mr. M. Mazedul Islam	Company Secretary	Member Secretary

**Statuary Auditors** : M/S. Aziz Halim Khair Chowdhury  
Chartered Accountants

**Governance Compliance Auditors** : M/S. M. Mohashin & Co.  
Chartered Secretaries in Practices

**Legal Adviser** : M/S. Accord Chambers

**Tax Consultants** : M/S. Ahsraf & Associates

**Registered Office:**

Plot 125/A, Road-2,  
Block-A, Bashundhara R/A,  
Dhaka-1229.

**Share Office:**

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

**Head Office:**

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

**Factory Premises:**

**Unit-1**

Meghnaghat, Baranagar, Sonargaon,  
Narayangonj.

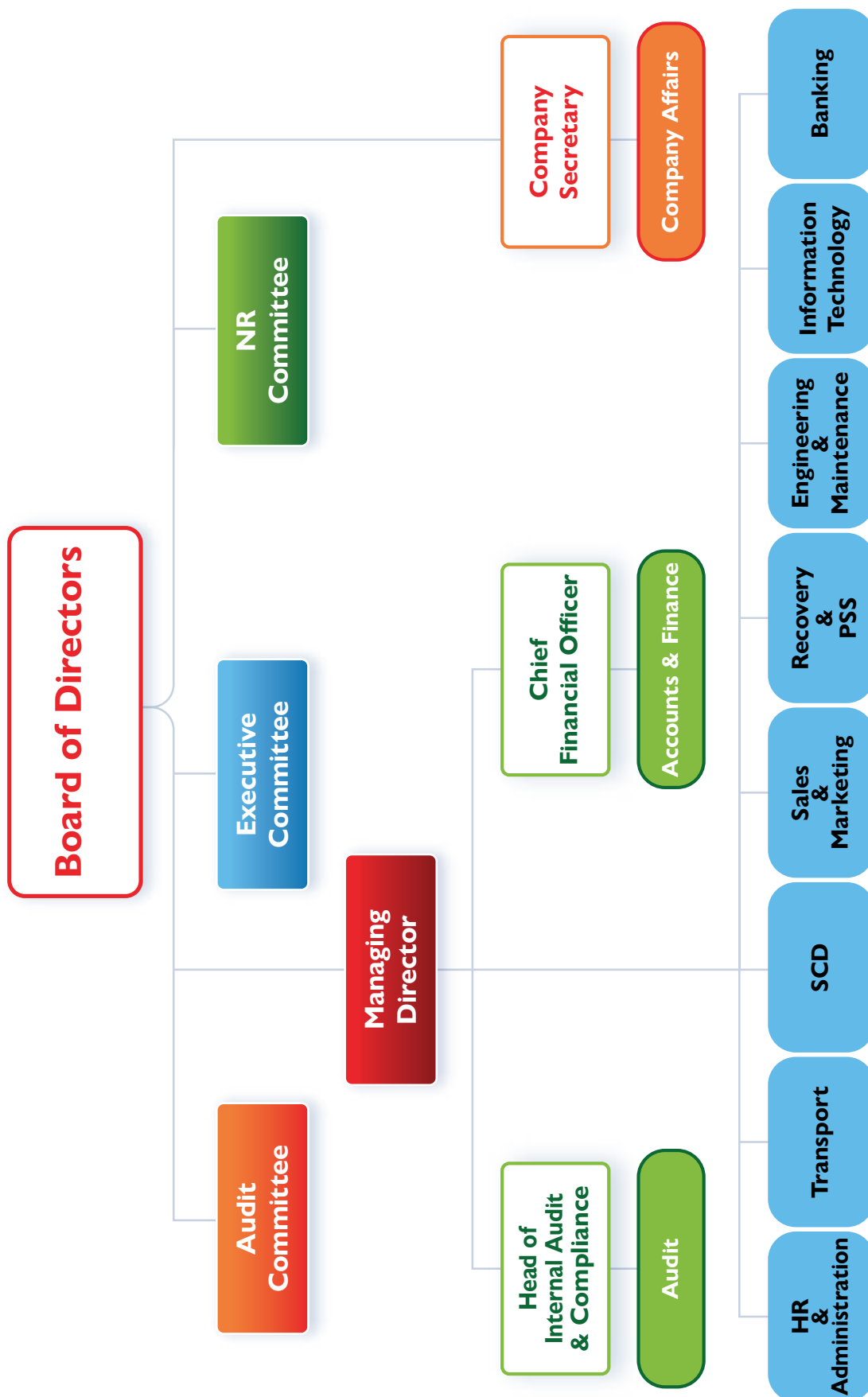
**Unit-2**

Meghnaghat,  
Sonargaon, Narayangonj.

**Unit-3**

Anurpura,  
Gazaria, Munshigonj.

# ORGANOGRAM OF BPML



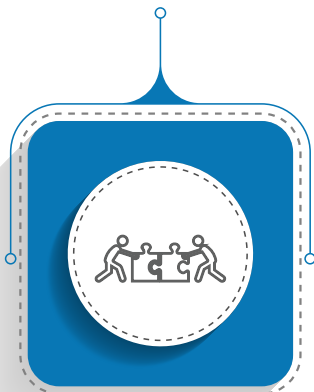


# TIME LINE OF BPML

**1993**

## **Year of Incorporation**

BPML was incorporated in this year aiming to fulfill the primary paper demand in the country.



**2010**

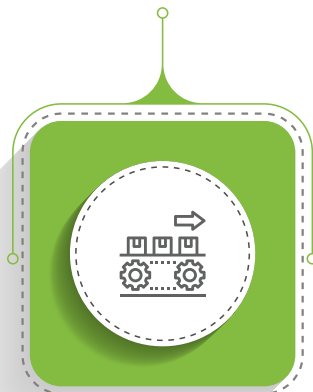
## **Inception of exporting**

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.



**2015**

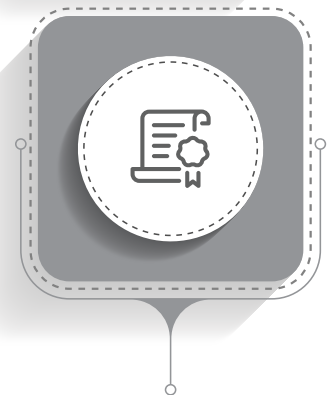
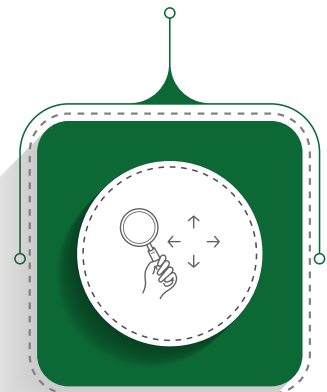
## **The ISO Certification**

The International Standardizing Organization (ISO) certified as one of the standard paper products of the time.

**2009**

## **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.



**2015**

## **FSC-COC Mix Certification**

The Forest Stewardship Council (FSC) certified BPML with the praiseworthy Chain of Custody certification.

**2015**

### **Touch the capital of 100 Cr+**

Reached its Paid-up Capital of 100 + Cr.



**2018**

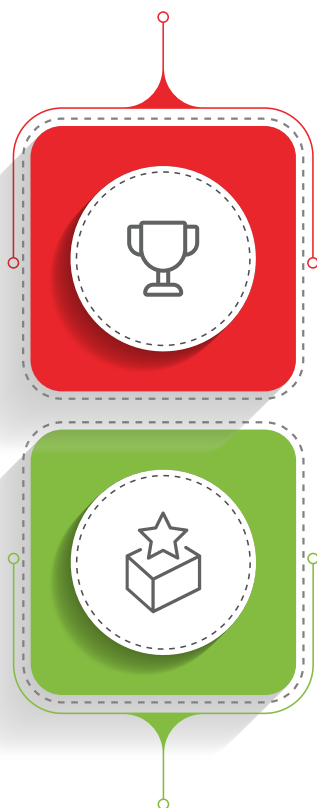
### **Listing with Stock Exchanges**

In this year BPML steeped in the capital market with DSE & CSE

**2017**

### **Paper Exhibition Award**

BPML received an award from the World's largest Paper exhibition in this year



**2019**

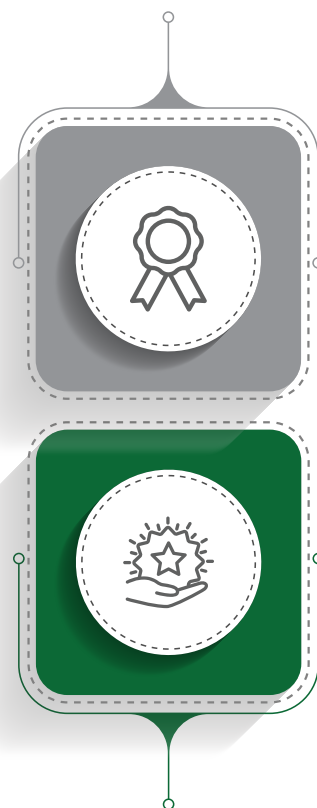
### **Brand**

Best Brand Award (Bashundhara Tissue)

**2018**

### **The Super Brand Award**

For offering consumers with significant emotional and/or physical advantages over its competitors, accomplished this prestigious award.



**2020**

### **Super Brand**

Best Brand Award (Bashundhara Tissue); Super Brands Award (Bashundhara Tissue, Bashundhara Diapant, Bashundhara Paper)

# Dream Big & Study Hard



Exact Number of Pages

High Quality Paper

Various Attractive Designs

**Bashundhara**  
Exercise Book  
Write Your Future

Scan & Visit  
Our Facebook Page  
to know more about our  
interesting facts  
[/BashundharaExerciseBook](https://www.facebook.com/BashundharaExerciseBook)



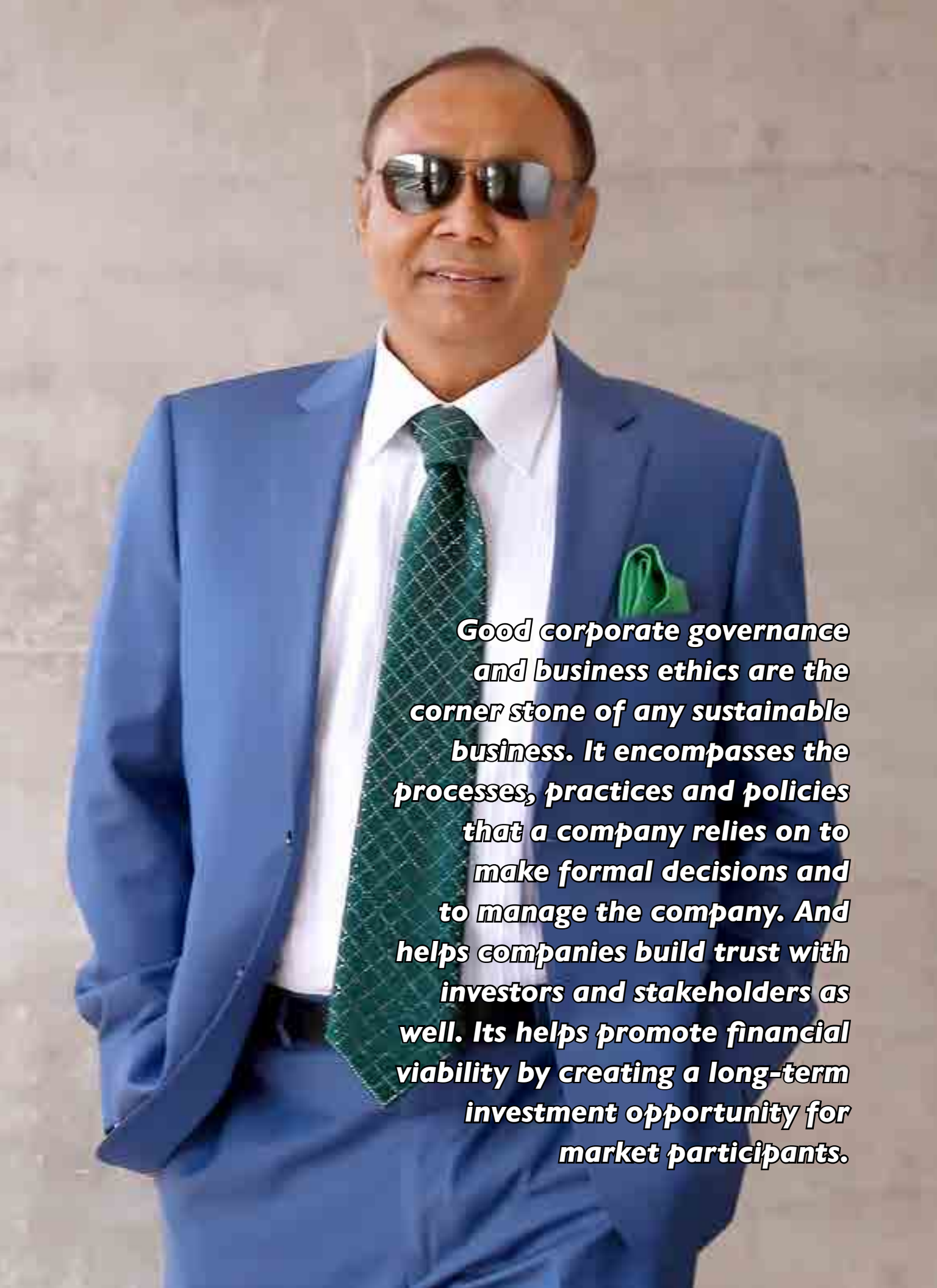
Customer 11119

Bashundhara Paper Mills Ltd.

# LEADERSHIP





A man with short dark hair, wearing dark sunglasses, a white dress shirt, a green patterned tie, and a blue suit jacket. He is standing against a light-colored, textured wall. His hands are in his pockets.

***Good corporate governance and business ethics are the corner stone of any sustainable business. It encompasses the processes, practices and policies that a company relies on to make formal decisions and to manage the company. And helps companies build trust with investors and stakeholders as well. Its helps promote financial viability by creating a long-term investment opportunity for market participants.***



# CHAIRMAN'S MESSAGE

## Dear Shareholders,

I am honored and delighted to welcome you in our annual report for the year ended June, 2021 and an auspicious occasion of the 28th Annual General Meeting of Bashundhara Paper Mills Limited. I am proud of your continuous association with us.

The company believes a good corporate governance and business ethics are the corner stones of any sustainable business. It encompasses the processes, practices and policies that a company relies on to make formal decisions and to manage the company. And helps company's build trust with investors and stakeholders as well and also helps promote financial viability by creating a long-term investment opportunity for market participants.

Standing with an unpredictable hard wind of global pandemic Covid-19 situation for last two financial years, your company engaged all its efforts to overcome the global challenges. This unpredicted public health crisis soon morphed in to an economic upheaval, as governments enforced stringent lockdowns the world over to contain the spread of the virulence. Such shutdowns crimped trade and commerce mostly severely in the year 2021 and resulted in major global economic declaration. In spite of such limitation of global activities the company has taken it's an opportunity to improve its business strategy, risk and crisis management to sustain in the global race.

Our belief, the board and the management team ensured with the vigorous cooperation of all employees the highest standard of corporate governance and conduct business practices that agree with company's framework of ethics and values. In spite of present adverse circumstance, the management team pays its 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. To value the employees is the priority and tradition of the company, during this pandemic the management team ensured all the health safety of the employees resulting not a single employee not separated from the company. At the same time same time, the team paying its highest attention to develop the quality of products with an affordable price for all segments of our customers even this global pandemic and introduced some new product for the customers. During the year the company confirmed 8.63% revenue growth comparing to previous year and its exporting destination stood in 50nos. destinations around the world. It takes as the responsibility to engage itself to ensure the strategic planning in alignment with the customer's needs and demand in competitive market so that, can possible to ensure the return on investment to the shareholders and achieve the ultimate organizational goal.

we are looking forward with renewable optimism and confidence that, the present pandemic crisis will go to museum soon. The trade and commerce will get back its own customary activities. Previous learning from the adverse circumstance the company gather a noticeable knowledge to develop its strategy, planning and the way to prosperity in new endeavors in future.

In conclusion, I would like to express my thanks to the members of the Board of Directors for their enormous supports and guidance to grow up. On behalf of the board I acknowledge the enthusiasm, loyalty and energy of our employees and proud of the way they uphold our commitments, high standards of ethics and integrity. I am also grateful to the management team and all of our efficient employees for their tireless efforts to retention our position in the market and upholding the group moto "For the people for the Country". Finally, 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 of sustainable development goal of Bangladesh.

May Allah bless us all.

Sd/-  
**Ahmed Akbar Sobhan**  
Chairman



## 0%

Cut-off of the employee during COVID-19




## 8.63%

Revenue growth



## 50 nos

Exporting destination stood in 50nos

A man with glasses and a pinstripe suit stands in front of a large window with a grid pattern. He is smiling and has his hands in his pockets. The text is overlaid on the lower right of the image.

***We believe the best compliance practice, utilize of the resource & efficient human capital are the prerequisite factors to build a nation. We take the opportunity with our several corporate social responsibility and governance initiatives aimed to compliment those of the Government to help archive the all-important Sustainable Development Goals (SDGs)***

# MANAGING DIRECTORS' REVIEW

**Dear Shareholders,**

With the theme of this report **Retention to Success**, the Bashundhara Paper Mills Limited has come in to fourth year in the capital market of Bangladesh. The company takes the pride of its 28 years' glorious track-record. In the meantime, BPML has confidently addressed all necessary measures to protect the interest of the all stakeholders and the stable growth has generated positive returns for the stakeholders as well. We are also confident to deliver our performance in the coming days.

The Covid-19 pandemic has already adversely affected the global economy, resulting in profound impact on business. Continuous pandemic life, economic recovery suffered a severe blow and millions are face unemployment business closures. At home, it has also had share of severity impacting heavily our customers, investors, shareholders and the communities we serve. After close monitoring and responses and guidance from governments, in an effort to mitigate the spread of COVID-19, the Company has also closed its production due to lockdown at Narayanganj and its distribution centers and its offices with associates working remotely where possible. The management team has continues emphasized to monitor including government requirements and recommendations at the national, state, and local level to evaluate possible extensions to all or part of such closures.

As a consequence of COVID-19, the Company had experienced material and labour shortages, supply chain or operational interruptions, higher input costs and changes in demand for its products. As a result, that have a material adverse effect on the Company's business. In addition, we have taken several steps to further strengthen our financial position, and maintain financial liquidity and flexibility, including, reviewing operating expenses, evaluating raw materials purchases, reducing capital expenditures etc. Pricing across our key paper products was reduced. But the demand for tissue and hygiene products remains robust.

Despite the affected by the global pandemic the production capacity has increased around 8% than previous year, and we ensured the quality of products considering the demand. The Bangladesh economy managed to experience a moderate 5.47% GDP growth in FY 2020-2021 while the BPML has contributed an industry highest BDT 1,069.98 million to the national exchequer during the year under review. Same as previous financial year the educational institute closure, fall in demand of paper and paper product in the pick season and nationwide lock-down were the noticeable challenges for the company. By changing our business strategy and efficacy the Net Profit After Tax stood in 43% growth by adding BDT 125.35 million then previous year. The uninterrupted production and timely delivery are the tradition of this company. On the other hand, our export revenue has increased around 38% by adding BDT 270 million comparing to previous year.

Some core products of this company Bashundhara Paper, Bashundhara Tissue, Bashundhara Diapant has awards as the honor of excellence "Superbrand" during the year. Bashundhara Tissue has honored as "Asia's Greatest Brand and Leaders for 2020-2021". And it was possible for tremendous efforts and support of our resilient workforces and strategic decision of the board in this tumultuous period.

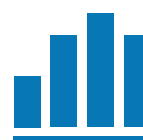
With a meaningful growth during the year the EPS of the company improved by 44.5% and the 5.18% of NAV then previous year. On the other hand, as a social corporate social responsibility our company has expended more than BDT 8.10 million towards society. This financial performance reflected the sustainability of this company.

We offer a sustainable career path for our people. During the troubled times, we increased employee engagement to keep them assured, motivated and aligned with our common goals. We also took all-out measures to keep our employees safe, ensured all the WHO and Govt.



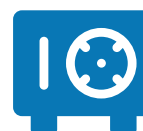
**8%**

Production capacity has increased



**43% Growth**

Net Profit After Tax



**BDT  
1,069.98  
million**

to the national exchequer

health guidelines to prevent COVID-19 and facilitated remote working a part of our People's safety policy to ensure the maximum care of our employees.

We are looking forward and firm in our belief that with sound business strategy, strong financial foundations and underlying resilience of our human capital, BPML will be able to safeguard on its commitments and build long-term shareholder value. And we believe by best compliance practice, utilize of the resources & efficient human capital are the prerequisite to build a nation. We take the opportunity with our several corporate social responsibility and governance initiatives aimed to compliment those of the Government to help achieve the all-important Sustainable Development Goals (SDGs).

We all in this company express our heartfelt gratitude to all the shareholders, stakeholders and consumers for their cordial support, co-operation and confidence in our ability to deliver value, especially in such challenging and uncertain times. I also extend my sincere gratitude to the Chairman of the Board of Directors, for his continuous support and the entire Board for their valuable guidance, direction and patronage. I am grateful to the all of directors, committee members management team members for their kind cooperation during the year. I am very thankful to my colleagues for their commitment and dedication towards achieving our common organizational goal.

Thanking you all.

Sd/-  
**Safwan Sobhan**  
Managing Director



**38%**

export revenue has  
increased

# BOARD OF DIRECTORS

## Chairman

**Mr. Ahmed Akbar Sobhan**

## Directors

**Mr. 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

**Mr. M. Mazedul Islam**



# DIRECTORS' PROFILE

## Ahmed Akbar Sobhan

### Chairman

Mr. Ahmed Akbar Sobhan is one of the Sponsor Director 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 Sponsor and Sponsor 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 was 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 Karbahadur recognized by NBR for the FY 2016-2017. He also awarded Mother Teresa International Canonization in 2016. 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. 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 a member of the Audit Committee and NRC of the Bashundhara Paper Mills Ltd. Mr. Hassan is also a trusty of the Bashundhara Foundation and selected as the Vice President of Executive Committee of Bangladesh Football Federation.

He is the present president of Bashundhara Kings which was the champion team in BPL -2021.

## 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 L td. 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 Bashshundhara 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. He is a member of the Audit Committee and NRC of the Bashundhara Paper Mills Ltd.

## Khawaja Ahmedur Rahman

### Independent Director

Mr. Khawaja Ahmedur Rahman (70) 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 of Audit Committee of this Company. He is also the Chairman of the Remuneration and Nomination Committee of this company.

## Safwan Sobhan

### Managing Director

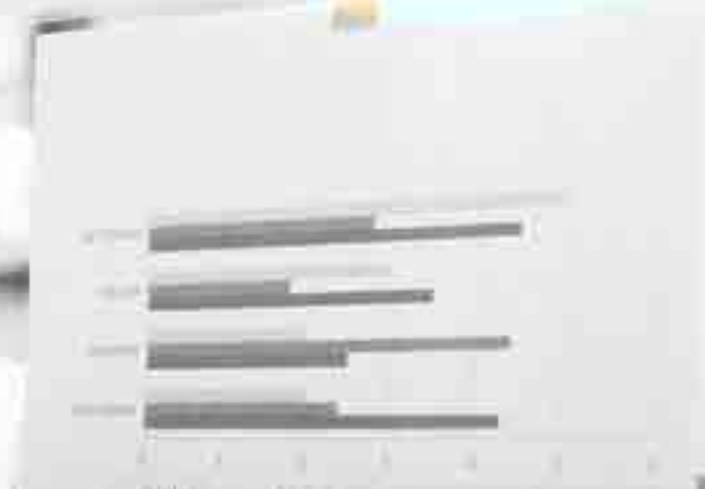
The Managing Director of the Bashundhara Paper Mills Ltd.- Mr. Safwan Sobhan is a dynamic and enterprising young entrepreneur. He had his schooling in Oxfordshire in the UK and had his bachelor's degree in business administration. He established various corporate houses at home and abroad and earned laurels for his leadership qualities. He is also Director of Bashundhara Industrial Park Ltd., City Multi Agricultural Company Ltd., Bashundhara Horticulture Ltd., Bashundhara Steel & Engineering 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. The most popular sports TV channel "Tsports" now moving forward by his leadership. 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 honored with the **"Asia One Global Asian of the Year 2019-2020"** award last year. Recently has been honored with **'Asia's Greatest Leader 2020-2021'** award for his outstanding contribution to the industry and society.

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.

# INFORMATION FOR SHAREHOLDERS



# DIRECTORS' REPORT TO SHAREHOLDERS

## Dear Respected Members,

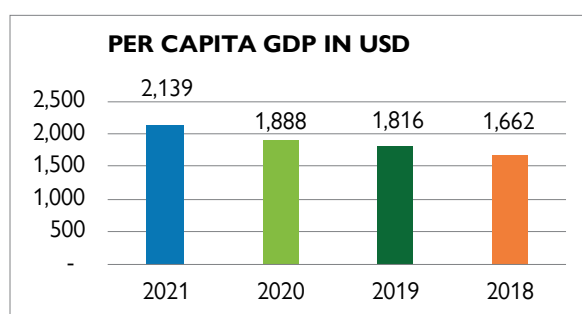
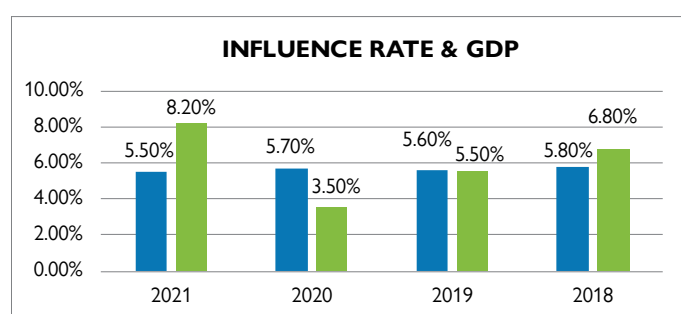
In the name of Almighty Allaha, I would like to take the pleasure on behalf of the Board of Directors of Bashundhara Paper Mills Limited to welcome you all in the 28th Annual General Meeting of your company through the Digital Platform. It is a privilege of us to present the 28th Annual Report of the company along with the Audited Financial Statements for the Financial Year 2020-2021 along with the notes to the accounts as well as the Statutory Auditors' Report thereon, the Audit Committee's Report, Corporate Governance Statement, Compliance Report, and the Nomination and Remuneration Committee's Report for your valued consideration, approval and adoption.

## Outlook of Global Economy

The global economy is set to expand 5.6 percent in 2021—its strongest post-recession pace in 80 years. This recovery is uneven and largely reflects sharp rebounds in some major economies. In many emerging market and developing economies (EMDEs), obstacles to vaccination continue to weigh on activity. By 2022, last year's per capita income losses will not be fully unwound in about two-thirds of EMDEs. The global outlook remains subject to significant downside risks, including the possibility of additional COVID-19 waves and financial stress amid high EMDE debt levels. Policy makers will need to balance the need to support the recovery while safeguarding price stability and fiscal sustainability and to continue efforts toward promoting growth-enhancing reforms as projected by the World Bank.

## Outlook of Bangladesh Economy

Economic growth is expected to accelerate in FY 2022 as private consumption and investment gain steam. That said, further stop-start Covid-19 restrictions are a possibility while the vaccination rate remains fairly low. Vulnerability to extreme weather events and the high rate of non-performing loans in the banking sector pose further downside risks. The Asian Development Bank (ADB) has revised the economic growth forecast for Bangladesh amid continued Covid-19 concerns to 6.8% for fiscal year 2021-22, which was projected to be 7.2% in April outlook. Meanwhile, Bangladesh government has set a growth target of 7.2% for the current fiscal. The ADB report has lowered its overall 2021 economic growth outlook for developing Asia, amid continuing concerns over the coronavirus pandemic. Also, price pressures are expected to remain in check, with headline inflation forecast at 2.2% in 2021 and 2.7% in 2022. Bangladesh is now one of the emerging economies of the world. The growth of this economy has a positive trend by a digit.



Source: Asian Development Bank. Asian Development Outlook Update (ADOU) 2021 (September 2021)

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. 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.

## Outlook of Paper & Tissue Industry in Bangladesh

### Papers and allied products –

The paper industry has become a successful sector in Bangladesh and it has a great potential to become one of the country's major foreign currency earners, experts say. After readymade garments (RMG) and leather industry, this sector is playing a vital role in our national economy. Private paper mills are producing export-oriented paper products. After meeting the local demand, they have started exporting to 40 countries, bringing in large amounts of foreign currency. According to the Export Promotion Bureau (EPB), paper product exports totaled USD 920,488 in few years ago. 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. 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 2021, private sector paper mills have outperformed government mills who currently have a bare minimum of 3% market share for couple of years.

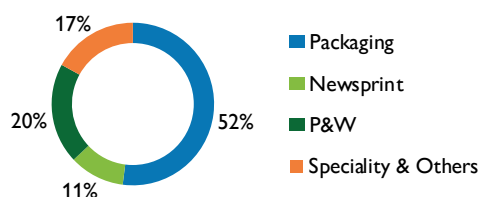
### Tissue paper and allied products -

The market size of tissue paper and allied product 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 50 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 84% 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 for considering last couple of years.

### Demand and Supply

With the increased uses of papers and paper board, literacy rate, change of lifestyles as well as awareness of hygiene products the demand upward trend in 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 this 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 tons 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 SEGMENTS (%) YEARLY**



Source: IPMA CARE Rating

This company has continued to export of 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 also searching out the new export market and implementing the plan of further business expansion outside of the country.



## Objective of the Company

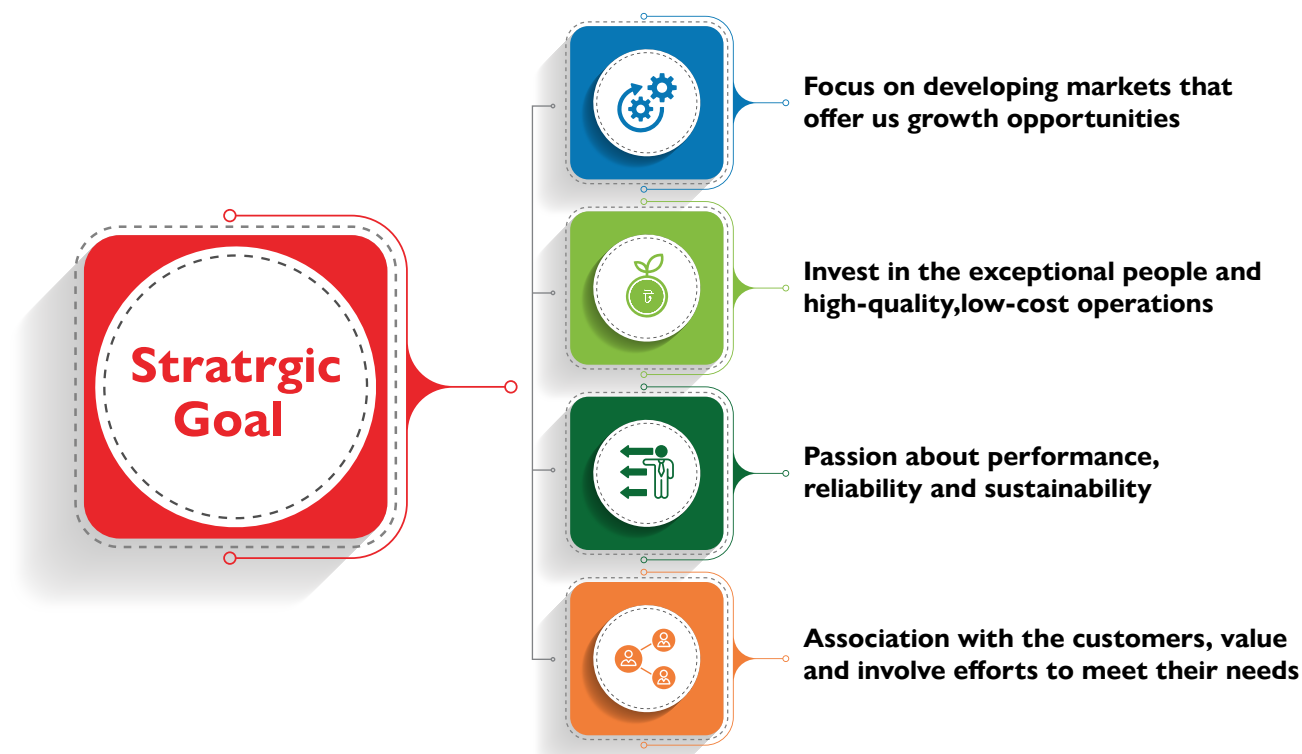
The Company's aim is to continue as the market leader in this particular sector of this country. The core objective of the company is managing business as to achieve the sustainability and profitability, increase the value of the business for its sponsors and as well as the stakeholders. The company also emphasize 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

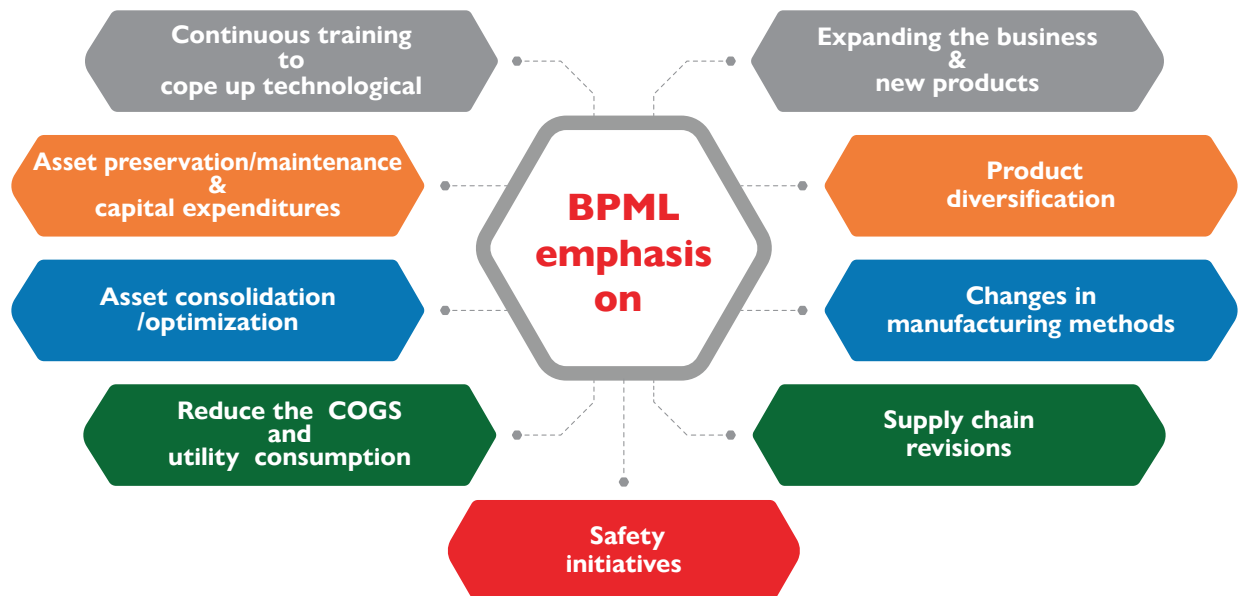
As the pioneer in the paper and allied product producer of Bangladesh in private sector BPML introduced itself a modern paper industry which is divided into three units, sections and process areas. The venture, since its incorporation in the year 1993, has been producing quality papers and paper products 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

As the leading industry in the country, 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:



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:



## 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.

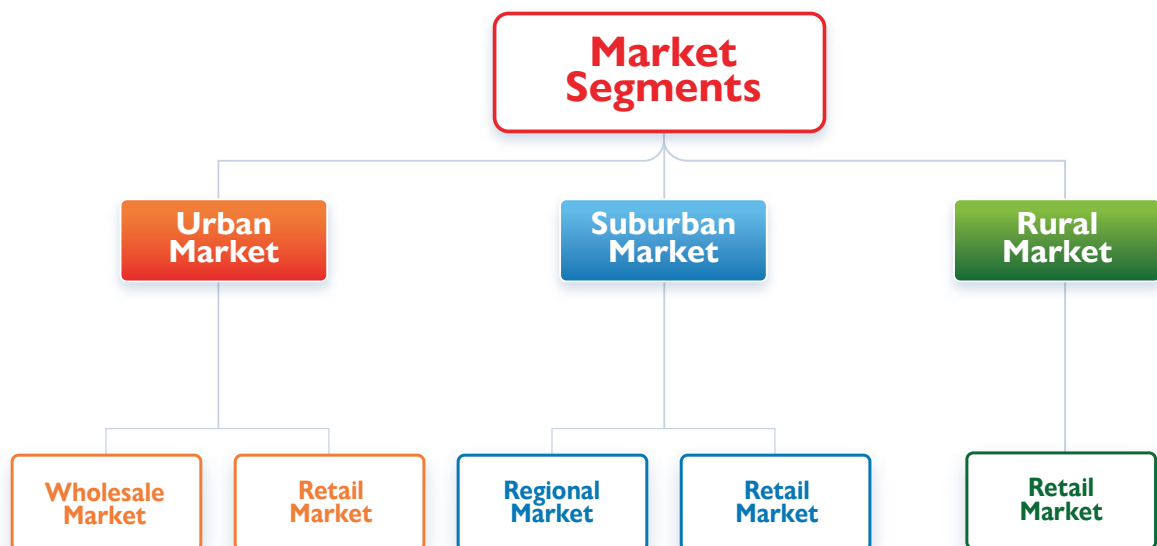


Chart: Market Segmentation chart of BPML

### Consumers Segmentation-

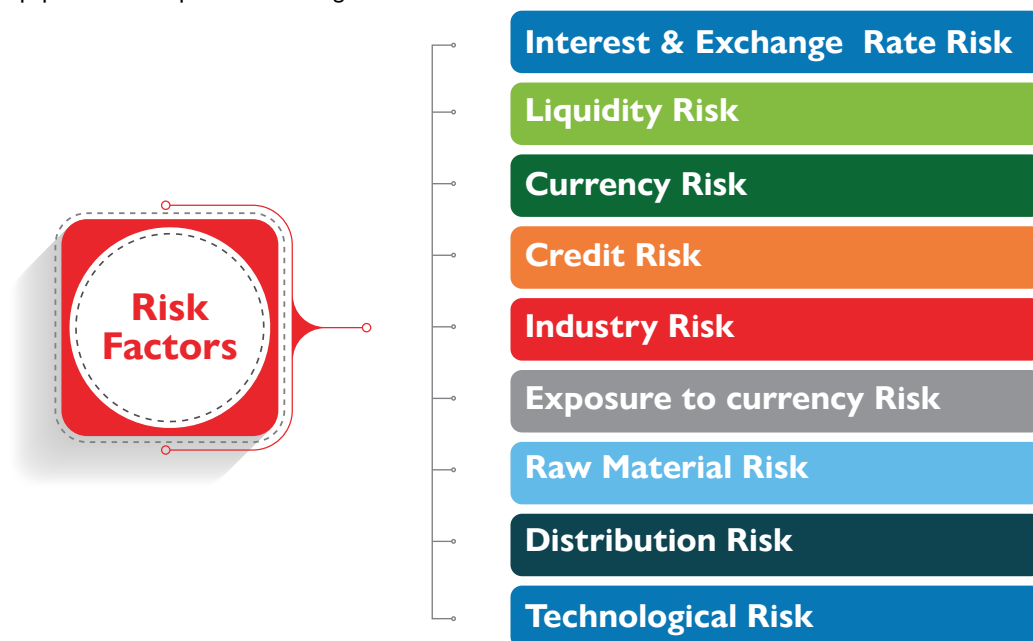
Customer segmentation is the process of dividing customers into groups based on common characteristics so companies can market to each group effectively and appropriately. In business-to-business marketing, a company might segment customers according to

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.

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.

## 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 such as-



Management of BPML has addressed the issue financial risk measurement As fair value is a market - based measurement, when measuring the fair value of an asset or a 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 categorized 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 categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.**

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

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 minimize 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. (More explanation in financial terms mentioned in note 52.03 of the financial statements. **Page no. 134**)

## 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.

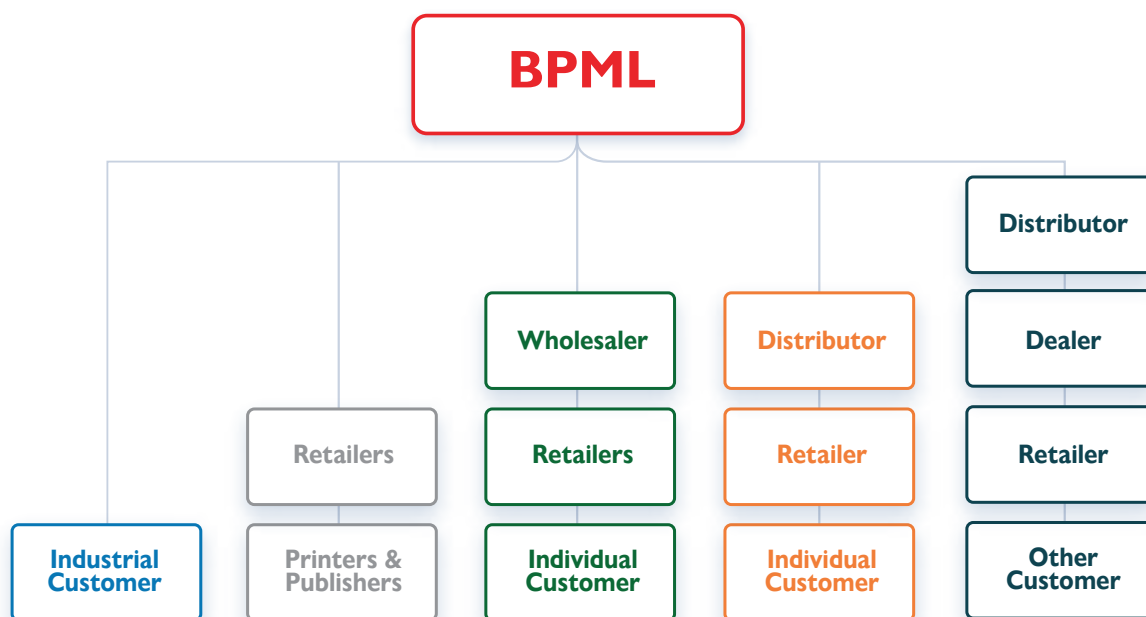
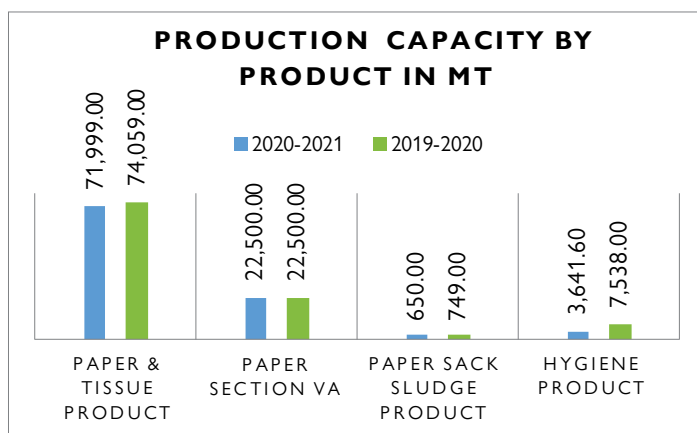


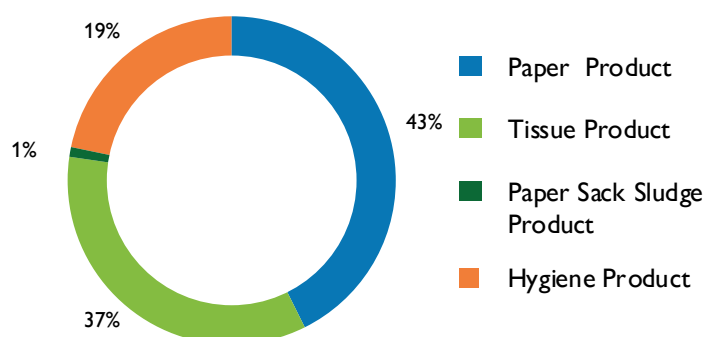
Chart: Distribution chart of BPML

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 98,790 MT finished goods of papers, sack, sludge, board & tissue papers and in the hygiene segment the production was around 3,644.26 MT during the period under review which was the 68% average of production capacity.

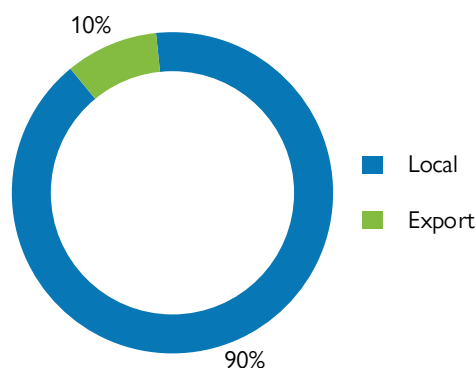


During the year under review the scope had contracted due to global pandemic of Covid-19 in pick season of sales. In comparison to the previous year, during the year under review the production of the paper and papers products decreased due to effect of global pandemic of Covid-19. So, the sales revenue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

#### REVENUE BY SEGMENT 2020-2021



#### EXPORT REVENUE 2020-2021



In FY 2020-2021, the company was able to earn the net revenue by sale of paper and paper products amounting to BDT 9,282 million which was BDT 8,544.46 million in the FY 2019-2020 which was increased by 8.64% from previous. BPML also engaged its expert team to monitor the emergence of new competitions and risk issues. Although the global crisis the export of this company increased by 37.07% than previous year and the export was 10% considering domestic and foreign revenue.

### Share Capital

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 and the face value of share BDT 10/- each.

### Performance of the Company

To make meaningful the tag line “Retention to Success” 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.

A pandemic is unpredictable in nature and has the potential to affect our people, markets and operations in various ways. The pervasive impact of a pandemic means that it has the potential to affect various of our strategic, financial, operational and compliance risks in the long-term depending on how it evolves.

## Quarterly Review's

In consequence of COVID-19, the Company may experience material and labour shortages, supply chain or operational interruptions, higher input costs and changes in demand for its products. As a result, that have a material adverse effect on the Company's business. The company also affected by the worldwide lock-down and following limitation of movement which has a negative impact in quarterly performance. The key indicators are mentioned below:

BDT in million

Particular	1st Quarter (July 20-Sep 20)	2nd Quarter (Oct 20-Dec 20)	3rd Quarter (Jan 21-Mar 21)
Net Revenue	1,980.79	4,377.11	7,132.04
Cost of Goods Sold	1,545.84	3,444.23	5,746.74
Gross Profit	434.94	932.88	1,385.29
Profit After Tax	51.83	127.50	200.47
Retained Earnings	2,233.36	2,371.27	2,365.85
Earnings Per share	0.30	0.73	1.15
Net Asset Values /Share	43.86	44.64	44.59
Net Operating Cash Flow/Share	0.09	(2.43)	(3.99)

To recover the financial position, the Board of Directors have taken many pragmatic decision and reviewed the Company's financial position and performance, including consideration of the anticipated impact of the COVID-19 pandemic and the other principal risks which may impact the Company's performance in the near term.

## Year ended Review's

In addition, the board and management team have taken several steps to further strengthen our financial position, and maintain financial liquidity and flexibility, including, reviewing operating expenses, evaluating raw materials purchases, reducing capital expenditures etc. Going into the year 2020-2021, heightened uncertainties remain. Pricing across our key paper products is reduce. Demand for tissue and hygiene products remains robust.

Due to pungent and pragmatic decision of board the financial performance of this company has observed in upward trend by all indicators during the year. A comparative change with the previous year in the financial performance appended as follows –

Particulars	2020-2021		2019-2020	
	BDT in mn.	% Change	BDT in mn.	% Change
Net Revenue	9,282.85	+ 8.64%	8,544.46	(22.59%)
Cost of Goods Sold	7,360.02	+10.39%	6,666.88	(25.50%)
Gross Profit	1,922.83	+2.40%	1,877.59	(10.53%)
Net Profit after Tax	4,11.19	+43.85%	2,85.84	(1.03%)
Retained Earnings	2,581.50	+18.60%	2,176.58	+13.95%
Earnings Per share	2.37	+44.51%	1.64	(2.38%)
Net Asset Values /Share	45.81	+2.26%	43.55	+3.49%
Net Operating Cash Flow/Share	11.48	(53.78%)	24.84	+146.68%

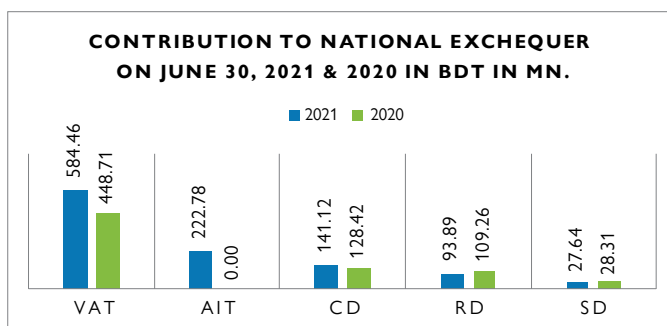
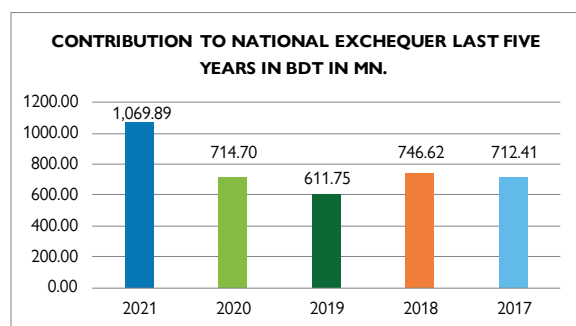
Due to increase the operating expenses and price hick trend of row materials the NOCF/ share has negative impact during the year. Although the production costs had increased to a significant extent due to the pandemic condition, the company had engaged it's all effort to protect the interest of its shareholder.

The Board of Directors 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.



## Contribution to the National Exchequer

BPML has been recognized by the National Board of Revenue as the largest corporate taxpayers in paper 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 3,633nos. 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.



During the year under review in FY 2020-2021, the BPML has contributed an amount of BDT 1,069.89 million in the form of VAT, Advance Income Tax, Customs Duties, Supplementary Duty, and Regulatory Duty. The contribution to the national exchequer was equivalent to 11.27% of the total sales revenue of the company during the period under review which is 2.83% higher than previous year.

## Financial Year

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.

## Going Concern

BPML is a going concern as the desire of Board of Directors. The Financial Statements are prepared on a going concern basis which includes appropriate enquiries and analysis, and establish that the resources are adequate to support the operations and that sufficient business opportunities do exist to justify the Company as a going concern. Which assumes that the Company will be able to meet the mandatory repayment terms of the banking facilities as disclosed in FS **Note no. 18, 19 and 22** respectively in **page no. 112-113 and 115**.

## 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.

## Statement of Change in Equity

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

## 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 details information on the related party transactions has been disclosed in the note **no. 38** of the financial statement hereinafter in this report **page no. 125**.

## Management Discussion and Analysis

The management discussion analysis has incorporated separately with this report in **page no. 61**.

## Reporting of Financial Statements

We would like to notice the financial statements of the company has prepared and audited as on 30 June 2021 in compliance of obligations of Companies Act, 1994, Securities & Exchange Commission Rules, 1987 and Listing Regulations-2015 both Dhaka and Chittagong Exchanges, and we believe that the financial statements reflected true and fair view and substance of all transactions maintained and the financial statements all financial indicators have reflected its authenticity during under reviewed.

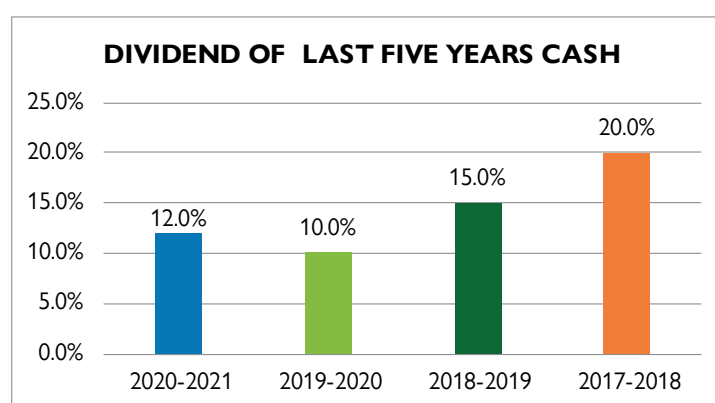
<b>We are also report that</b>	<p><b>The Financial Statements has duly prepared in accordance with the applicable IFRS in addition to comply the directives of the concerned regulatory bodies and along with notes to the statements and disclosure thereon.</b></p> <p><b>The required books of accounts properly maintained and recorded.</b></p> <p><b>The Inter Company Transactions and Related Party Transactions has been duly disclosed as per the guidelines.</b></p> <p><b>The periodical/ quarterly financial statements have duly disclosed to its stakeholders through the proper available channels.</b></p>
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## Dividend Policy

BPML has emphasized maintaining all the provisions, guidelines and standard practices in the industry to declare its divided. 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 Board of Directors of this company has been pleased to recommend for the payment of 12% Cash dividend for all the ordinary/ general shareholders of this company for the period ended on 30 June 2021.

The Record Date of BPML for 28th AGM has been fixed on 30 November 2021. Members whose names appeared in the Company's Member Register (depository) at the close of business on the Record Date be entitled to receive the dividends. note no. 49 in notes of accounts.



Graph: Dividend history of BPML

## 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 10,437 nos. as on the Record Date of the company on 30/11/2021. The issued, subscribed and paid up share of the company is 1,737,914,41 nos. of share at the face value BDT an 10/- each, which has been the accumulated totals by the Sponsors, Directors, Institutional and General Public.

Name of Shareholder	As on 30-Jun-2021	
	Nos. of Shares	% of Share
Mr. Ahmed Akbar Sobhan	4,000,000	2.30%
Ms. Afroza Begum	5,885,200	3.39%
Mr. Sadat Sobhan	8,203,000	4.72%
Mr. Safiat Sobhan	8,203,000	4.72%
Mr. Sayem Sobhan	8,203,000	4.72%
Mr. Safwan Sobhan	8,203,000	4.72%
Mr. Md. Imrul Hassan	4,002,000	2.30%
Mr. Md. Nazmul Alam Bhuiyan, nominated EWPD	101,050,575	58.14%
General Public and Institutions	26,041,666	14.98%
<b>Total nos. of Shares</b>	<b>1,737,914,41</b>	<b>100%</b>

## Protect the Minority Shareholders' Interest

The Board of Directors 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. The management also used to upload all related information to the company website and monitor the Investors Relation Complain Cell through "[www.bashundharapapermills.com/investors-relation/complain-cell](http://www.bashundharapapermills.com/investors-relation/complain-cell)" as routine basis.

## 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 -

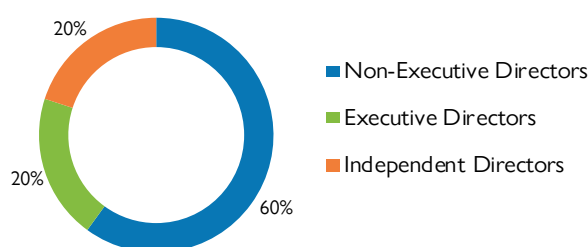
- The Chairman and the Managing Director of this company are two individual persons. These positions were filled in by individual persons since the incorporation of this company. And the practice was also complied with during the FY 2020-2021. The resume of the Chairman and the Managing Director are 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 IN (%)



The resume of the present Board of Directors is appended hereinbefore in this annual report.

<b>Roles &amp; Responsibility of the Directors-</b>	<p><b>Providing entrepreneurial leadership;</b></p> <p><b>Setting of goals and objectives for the company;</b></p> <p><b>Setting company's values and standards;</b></p> <p><b>Ensuring human and financial resources be available to achieve objectives;</b></p> <p><b>Reviewing management team's performance and monitoring of performance reports;</b></p> <p><b>Satisfying themselves on integrity of financial information and reporting; controls and risk management systems and measures;</b></p> <p><b>Determining appropriate levels of remuneration and compensation issues;</b></p> <p><b>Ensuring that obligations to shareholders and other stakeholders are understood and met.</b></p>
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## The Board of Directors also report that:

- The statement that the F/S prepared by the management of the issuer company present fairly its state of affairs;
- The statement that proper books of account of the issuer company have been maintained;
- The 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;
- The 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;
- The statement that the system of internal control is sound in design and has been effectively implemented and monitored;
- The 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;
- The 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;
- The statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;
- An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;
- No bonus shares or stock dividend has been or shall be declared as interim dividend;

## 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	Nos. of Shares	Holding in (%)
1.	Mr. Ahmed Akbar Sobhan	Chairman	4,000,000	2.30%
2.	Mr. Md. Imrul Hassan	Director	4,002,000	2.31%
3.	Mr. Md. Nazmul Alam Bhuiyan nominated by- East West Property Development (Pvt.) Ltd.	Nominated Director	101,050,575	58.14%
4.	Mr. Khawaja Ahmedur Rahman	Independent Director	nil	nil
5.	Mr. Safwan Sobhan	Managing Director	8,203,000	4.72%

## 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 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. 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	12/11
2.	Mr. Md. Imrul Hasan	Director	12/09
3.	Mr. Md. Nazmul Alam Bhuiyan nominated by- East West Property Development (Pvt.) Ltd.	Nominated Director	12/10
4.	Mr. Khawaja Ahmedur Rahman	Independent Director	12/08
5.	Mr. Safwan Sobhan	Managing Director	12/11

The directors who could not attend the meeting was duly approved by the board.

## 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 and Retirement of Directors

Ensuring 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 Non- Executive Directors of this company are retiring by rotation in this 28th 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. Ahmed Akbar Sobhan and
- Mr. Md. Imrul Hassan.

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 28th 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

According to 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.

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 one experienced corporate leader having proven professional experiences as its independent directors under the directives of the Corporate Governance Code of BSEC previously. 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

Internal controls system includes a set of rules, policies, and procedures an organization implements to provide direction, increase efficiency and strengthen adherence to policies. To reach its destination BPML has set an effective internal control system. 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.



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 and Mr. Md. Nazmul Alam Bhuiyan, Director (nominated) 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. Mazedul Islam, Company Secretary performed the responsibility as the Member Secretary of this committee.

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



<p><b>The core responsibilities of the Audit Committee during under reviewed of this company included</b></p>	<p>To monitor accounting policies and principles.</p> <p>To oversee financial reporting and disclosure process.</p> <p>To oversight of regulatory compliance matters;</p> <p>To monitor internal control system;</p> <p>To oversee performance of internal audit function;</p> <p>To oversee hiring, performance &amp; independence of the auditors;</p> <p>To discuss risk management policies and practices with management.</p> <p>The report of the Audit Committee is appended herewith this annual report.</p>
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## 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 non-Executive Directors- Mr. Khawaja Ahmedur Rahman, Independent Director, Mr. Md. Nazmul Alam Bhuiyan, Nominated Director of East West Property Development (Pvt.) Ltd., and Mr. Md. Imrul Hassan, Director. The Board of Directors has designated Mr. Khawaja Ahmedur Rahman as the Chairman of the committee and Mr. M. Mazedul Islam, Company Secretary performed the responsibility and act as the Member Secretary of the committee.

<p><b>The core responsibilities of the Nomination &amp; Remuneration Committee during the year of this company included</b></p>	<p>To devise policy for Board's diversity;</p> <p>To be independent, responsible and accountable;</p> <p>To set the qualifications and attributes for appointment, remuneration of suitable persons for appointment as directors and top-level executives;</p> <p>To identify suitable qualified persons as directors and top-level executives in accordance with the devised policy and recommend for their remunerations;</p> <p>To formulate the criteria for evaluation of the performance of Independent Directors, Non-Executive Directors and Board's function.</p> <p>To assess the need for employees and determination of selection criteria as well as transfers/ replacements/promotions matters;</p> <p>To develop and recommend the human resources and training policies and review of those annually.</p>
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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. The Board of Directors has designated Mr. Safwan Sobhan, as the Chairman of the committee and Mr. M. Mazedul Islam, Company Secretary as the Member Secretary of the committee.

<b>The core responsibilities of the Compliance Committee of this company included</b>	<p>To comply all the compliance in the financial statements;</p> <p>To meet the regulatory requirements;</p> <p>To assist in the internal control process;</p> <p>To make and develop policy to meet the regulatory obligations;</p> <p>To review and analyze the overall compliance process of the company;</p> <p>To protect the interest of the shareholder;</p> <p>To ensure the Compliance of the Corporate Governance Code.</p>
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## Executive Committee

To ensure and make the internal control system meaningful and effective the Board of Director has engaged the executive committee. The committee constituted with the seventeen senior executives of the company. Mr. Safwan Sobhan, Managing Director is the Chairman and Mr. M. Mazedul Islam, Company Secretary act as the Member Secretary of the committee. of this company and the members. The senior executives of the company empowered by the board of Director of the company to coordinate and ensure the all logistic support with the entire activities of the internal control system.

<b>The core responsibilities of the Executive Committee of this company included</b>	<p>To engage the knowledge of finance, corporate laws and compliance related matters both internal and external affairs;</p> <p>To coordinate with the support team;</p> <p>To ensure the logistic.</p>
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## Statutory Auditors

The existing statutory auditors - M/S. Aziz Halim Khair Chowdhury, Chartered Accountants who were appointed in the 27th Annual General Meeting and 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 2021-2022. 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 2021-2022, at a fee of BDT 4,00,000/- (Four Lac) excluding VAT for its approval by the shareholders of this company in this 28th Annual General Meeting.

## Executives' Shareholdings Status

The shareholdings position of the top Executives, Governance Officers, their spouses and children (minor) as on 30 June, 2021 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 & Compliance	nil	nil	nil
5.	Mr. M. Mazedul Islam	Company Secretary	nil	nil	nil

## Corporate Governance Compliance Framework

The company has recognized all 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.

We acknowledge the corporate governance which 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.

In compliance of BSEC's notification vide BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018, M/S. M. Mohasin & Co., Chartered Secretaries in Practice, was conducted the keen investigation work on the compliance of the Code of Corporate Governance by this company during the FY 2020-2021.

Furthermore, a review and statements on corporate governance during the year appended with this report. 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.

## Appointment of Compliance Auditors

The existing statutory auditors - M/S. M. Mohasin & Co., Chartered Secretaries in Practice, who were appointed in the 27th Annual General Meeting and have completed their responsibilities during the period under review.

The Board of Directors of BPML has recommended to appointment of M/S. Haruner Rashid and Associates, Chartered Secretaries and Management Consultants for the Financial Year 2021-2022 for issuance the corporate governance certification. In view of this, the Board of Directors has decided to place the matter of appointment of the Corporate Governance Compliance Auditors of the company for the Financial Year 2021-2022, with a fee of BDT 100,000/- (One Lac) excluding VAT for its approval by the shareholders of this company in this 28th Annual General Meeting.

## Award & Certifications

- i. 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" and "Best Brand 2020" in consecutive three years, where the brand was audited by the Nielson.
- ii. Another core products of the company i.e Bashundhara Tissue, Bashundhara Diapant and Bashundhara Paper individually achieved the honor to receive the "Super Brands Award 2020".
- iii. The most popular and prestigious product - Bashundhara Tissue awarded the "Asia's Greatest Brand and Leaders 2020-2021".
- iv. Bashundhara Paper Mills Limited has been awarded with ISO 9001:2015 Quality Management System by RoyalCert International Registrars GmbH, Germany in 2021 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.
- v. BPML has been awarded with the ISO 14001:2015 Environmental Management System (EMS) Certification by The Con Cert Quality Management (CCQM) GmbH, Switzerland in 2021.

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

The corporate social responsibility gives a chance to all the employees of an organization to contribute towards the society, environment, country and so on. We all live for ourselves but trust me living for others and doing something for them is a different feeling altogether. Bringing a smile to people's life just because our organization has pledged to educate the poor children of a particular village not only gives a sense of inner satisfaction but also pride and contentment. One should never forget the importance of society and environment in our lives. It is indeed high time when we also start thinking about people around us who are less privileged and fortunate than us. Corporate social responsibility gives an opportunity to organizations to work towards the betterment of the society and make it a better place to live.

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 2020-2021 the company spent around BDT 8.56 million for the society through the following sector and organization:

### Bashundhara Special Children Foundation

Engaged to ensure the underprivileged and autistic students



### Humanitarian supports during Covid-19 period

Donated necessary COVID-19 kits i.e., Face Mask, PPE etc. to different Govt. and Public entities and regularly distributed Foods to underprivileged people to support them for their daily livelihood.

### Hospitals

Ibrahim Cardiac Hospital & Research Institute  
Ad-Din Hospital



### Bashundhara Islamic Research Center:

Patronizing the higher Islamic Education

### Education

By providing educational materials, scholarships and other events all over the country.



### Sports

- Toggi Sports Ltd. - A leading national level sports club
  - Lt. Sheikh Jamal Dhanmondi Club Ltd.
- Patron of the club which play in the national level football league of Bangladesh

## Acknowledgments

On behalf of Board of Directors I, extended my sincere appreciation to our customers and shareholders for their excellent cooperation, support and having their confidence on us as their preferred list. I believe and look forward to their support and cooperation to continue in future like as before.

The Members of Board of Directors also 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 2020-2021.

I am also being 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.

## Conclusion

### 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. 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

# MANAGEMENT DISCUSSION & ANALYSIS

The Management of this company is pleased to present the Management's Discussion and Analysis for the Financial Year 2020-2021 as per condition no. 1(5)(xxv) of the Corporate Governance Code-2018.

## a) Accounting policies and estimation for preparation of financial statements:

The Financial Statements of this company have been prepared in accordance with the International Financial Reporting Standards and Companies Act, 1994 with other applicable laws and provision of Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules, 1987.

This Financial Statements have been prepared on a historical cost basis, except for debt and equity financial assets and contingent consideration that have been measured at fair value. The financial statements provide comparative information in respect of the previous period. In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. The detail of the significant accounting policies is available in Note 6.6.3 of the Financial Statement.

## b) Changes in accounting policies and estimation:

There were no significant changes in accounting policies and estimation during the preparation of financial statements for the year ended June 30, 2021.

## c) Comparative analysis of financial performance:

The key indicators of the financial performance stated below:

Figure in BDT mn.

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	9,283	8,544	11,039	10,821	10,004
Gross Profit	1,923	1,878	2,099	1,921	1,824
Profit Before Tax	2,407	2,385	2,540	2,214	2,169
Profit After Tax	411	286	292	694	385
Shareholders' Equity	8,006	7,727	7,480	7,550	4,887
Total Assets	28,173	28,033	30,186	25,062	20,678
Total Current Assets	10,235	10,832	14,456	13,152	10,447
Total Current Liabilities	20,167	20,306	22,706	17,513	15,791
Current Ratio	6,161	7,104	12,513	11,985	10,054

## d) Compare such financial performance with the peer industry scenario:

Figure in BDT mn.

Particulars	BPML 2020-2021	Sonali Paper 2020-2021	Monospoll 2019-2020	HPPML 2019-2020
Revenue (Turnover)	9,282.85	1,408.65	429.05	473.08
Gross Profit	1,922.83	236.81	185.21	77.35
Operating Expenses	(565.17)	(75.89)	(42.23)	(74.89)
Financial Expenses	(999.86)	(61.22)	(107.29)	(52.07)
Net profit before tax	404.13	37.86	35.67	10.74
Net Profit After Tax	411.19	26.73	16.94	1.42
Earnings per Share	2.37	1.61	5.56	0.07



## Cash flow Movement

Figure in BDT mn.

Particulars	BPML 2020-2021	Sonali Paper 2020-2021	Monospoll 2019-2020	HPPML 2019-2020
Cash generated by operating activities	2,096.15	263.65	114.11	(11.77)
Income taxes paid	(93.89)	(16.01)	(20.33)	(2.41)
Interest Paid	(7.40)	-	(75.33)	(52.07)
Net cash (used in)/ generated by operating activities	1,994.87	247.64	18.45	(66.26)
Net cash (used in)/ generated by investing activities	(2,288.74)	(421.12)	(9.06)	(27.03)
Net cash (used in)/ generated by financing activities	429.28	223.66	5.17	99.89
Net increase in cash and cash equivalents	135.41	50.18	14.56	6.60
Cash and cash equivalents at the beginning	280.99	35.19	1.33	4.98
Cash and cash equivalents at the end	416.40	85.37	15.89	11.58

### e) Financial and economic scenario of the country and the globe:

#### Bangladesh Scenario

Economic growth is expected to accelerate in FY 2022 as private consumption and investment gain steam. The Asian Development Bank (ADB) has revised the economic growth forecast for Bangladesh amid continued Covid-19 concerns to 6.8% for fiscal year 2021-22, which was projected to be 7.2% in April outlook. Meanwhile, Bangladesh government has set a growth target of 7.2% for the current fiscal. The ADB report has lowered its overall 2021 economic growth outlook for developing Asia, amid continuing concerns over the coronavirus pandemic. Also, price pressures are expected to remain in check, with headline inflation forecast at 2.2% in 2021 and 2.7% in 2022. Bangladesh is now one of the emerging economies of the world.

#### Global Scenario

The global economy is set to expand 5.6 percent in 2021- its strongest post-recession pace in 80 years. This recovery is uneven and largely reflects sharp rebounds in some major economies. The global outlook remains subject to significant downside risks, including the possibility of additional COVID-19 waves and financial stress amid high EMDE debt levels. It need to balance the need to support the recovery while safeguarding price stability and fiscal sustainability and to continue efforts toward promoting growth-enhancing reforms as projected by the World Bank.

### f) Risks and concerns issues related to the financial statements and mitigation plan:

As a large manufacturing the company in the country BPML has to overcome may of risks in financial management and industry risks as well. BPML has always emphasizes to control the risks by implementing series of policies, and practices to the financial reporting, which are designed to address key financial reporting risks, including risks arising from changes in the business or accounting standards. The board, sub-committee of the board and others committee taken necessary measures to mitigate all kind of risk. The detail of the Risks and concerns issues related to the financial statements is available in **Note -52. 03** of the Financial Statement in **page no.134**.

### g) Future plan or projection or forecasts:

BPML has planning to incorporate new machineries for its production, which expecting the product quality will increase and have a positive impact in product pricing. The R & D division also engaged its full effort to introduce new products with the existing. The company also emphasized to discover the new export destinations for its products. The Board of Directors has recommended for 12% of Cash Dividend during the year.

Sd/-  
**Safwan Sobhan**  
Managing Director

# INDUSTRY CHALLENGES

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.

## 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.

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.

BPML, 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 of Products

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-

Sl. No.	Segments of Products	Quarterly Consumption			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1.	Paper Products	Low	High	High	Average/Low
2.	Tissue Products	Good	High	High	Average/Low
3.	Hygiene Products	Average/Low	Good/High	High/Average	Average
4.	Sacks Bags	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.

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.

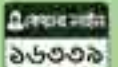
The FY 2020-2021 has a significant effect in the transportation costs in both the road and waterways for which this company incurred additional costs for transportation of both raw materials and finished paper and paper products. Having all mentioned factors, the fuel costs, water transportation costs 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.





# FINANCIAL HIGHLIGHTS

## OF FIVE YEARS

Financial of Highlights of last Five Years of Bashundhara Paper Mills Limited including FY 2020-2021

Figure in BDT mn.

### Financial Position

Particular	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Paid-up-Capital	1,737.91	1,737.91	1,737.91	1,737.91	1,477.50
Shareholders' Equity	8,112.17	7,727.02	7,480.25	7,549.50	4,887.17
Total Assets	28,738.81	28,032.71	30,186.24	25,062.14	20,677.89
Total Liabilities	20,626.63	20,305.69	22,705.99	17,512.64	15,790.71
Working Capital	1,345.57	1,393.61	2,640.11	2,665.46	2,926.87
Capital Employed (times)	0.06	0.37	0.09	0.11	0.13

### Operating Performance

Particular	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	9282.85	8,544.46	11,039.12	10,821.10	10,004.08
Gross Profit	1922.83	1,877.58	2,095.28	1,920.58	1,824.41
Income from Operating	1425.26	1,395.88	1,604.42	1,390.59	1,423.88
Profit Before Int., Tax & Dep.	2407.48	2,385.39	2,540.09	2,214.35	2,168.97
Net profit after Tax	411.19	285.83	291.84	693.64	385.13

### Financial Ratio

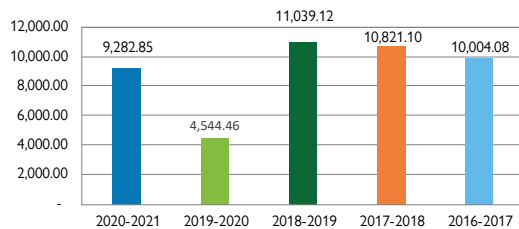
Particular	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Current Ratio	1.66	1.52	1.16	1.10	1.04
EBIT to Net Interest Cover (times)	1.43	1.51	1.45	1.60	1.78
Debt to Equity	1.48	2.63	3.04	2.32	3.23
Gross Profit Margin	20.71%	21.97%	19.01%	17.75%	18.24%
Operating Profit Margin	15.35%	16.34%	14.53%	12.85%	14.23%
Net profit Margin	4.43%	3.35%	2.64%	6.41%	3.85%

### Market Performance

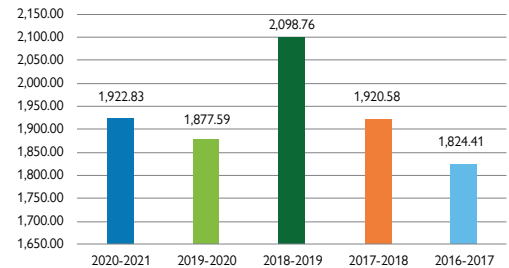
Particular	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Face value per Share	10	10	10	10	10
Dividend on Paid up Capital	12%	10%	15%	20%	n/a
NAV per Share	45.81	43.55	42.52	49.18	31.38
Earnings per Share	2.37	1.64	1.68	3.99	2.57
Price Earnings Ratio (P/E Ratio)	28.6	24.85	37.52	20.75	n/a

# GRAPHICAL PRESENTATION

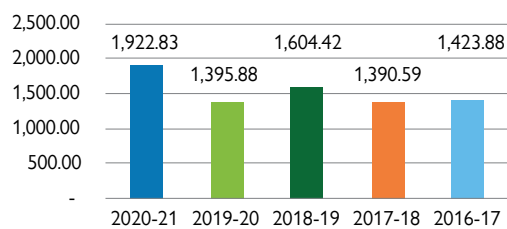
**REVENUE BDT (IN MN.)**



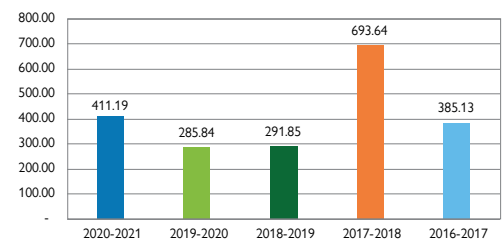
**GROSS PROFIT BDT (IN MN.)**



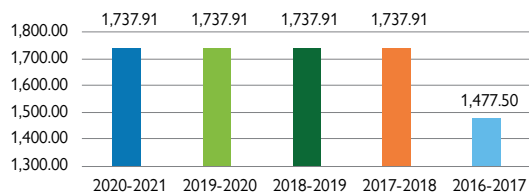
**OPERATING INCOME BDT (IN MN.)**



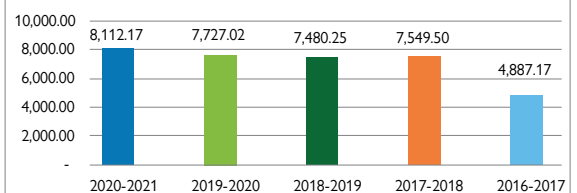
**NET PROFIT AFTER TAX BDT (IN MN.)**



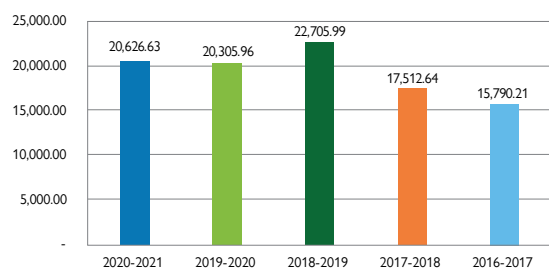
**PAID UP CAPITAL BDT (IN MN.)**



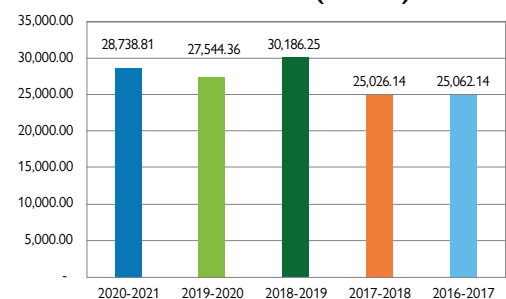
**SHARE HOLDER'S EQUITY BDT (IN MN.)**



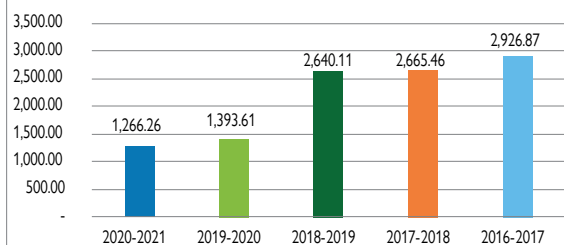
### TOTAL LIABILITIES BDT (IN MN.)



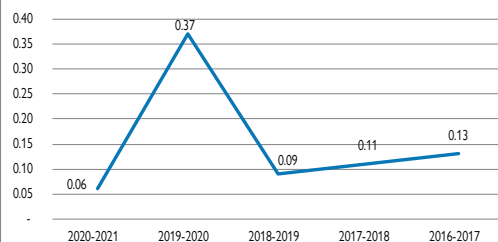
### TOTAL ASSET BDT (IN MN.)



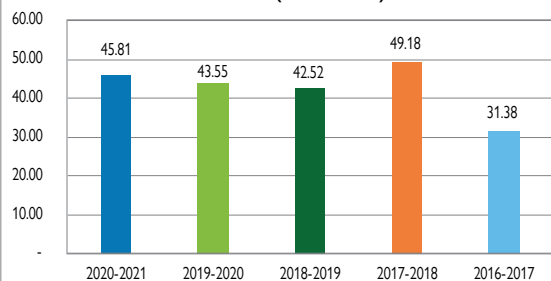
### NET WORKING CAPITAL BDT (IN MN.)



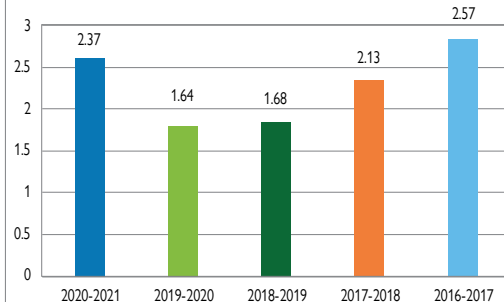
### CAPITAL EMPLOYED IN % OF OUTSTANDING CAP.



### NET ASSET VALUE BDT (PER SHARE)



### EARNINGS PER SHARE BDT



# WEALTH CREATION & ITS DISTRIBUTION STATEMENT

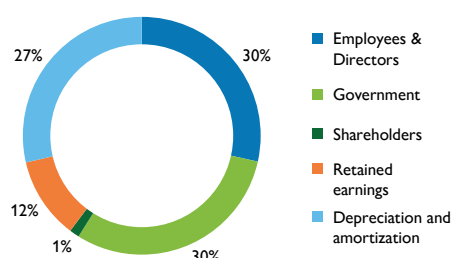
The Bashundhara Paper Mills Limited has accretion its wealth through manufacturing products in FY2020-2021 for its directors, employees, government and shareholders in the form of remuneration, salaries & allowances, duties & taxes, net profit after tax respectively and also indicates value of use of fixed assets through depreciation.

## Value Added for the year ended 30 June, 2021

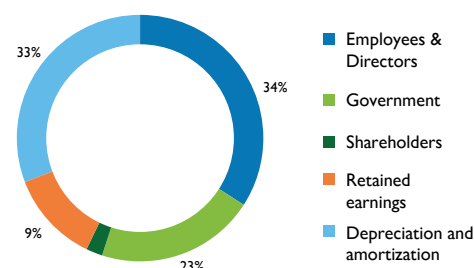
Figures in BDT

Particulars	2020-2021	2019-2020
Wealth Creation		
Revenue	9,894,963,225	9,021,484,850
Less: Cost of Sales	(5,753,603,072)	(5,799,393,263)
Operating Expenses	(155,688,316)	(137,275,934)
	<b>3,985,671,837</b>	<b>3,084,815,653</b>
Other Income	67,601,288	74,513,580
Provision for Expenses	(51,743,762)	(110,078,848)
<b>Total Wealth Creation</b>	<b>4,001,529,363</b>	<b>3,049,250,385</b>
<b>Wealth Distribution</b>		
<b>Employees &amp; Directors</b>		
Employees as salaries & allowances	1,046,988,861	1,002,642,747
Directors as fees	36,000,000	17,500,000
	<b>1,069,890,001</b>	<b>714,699,540</b>
<b>Government</b>		
Corporate Tax	93,885,180	109,262,362
Advance Tax	222,781,798	-
Value added Tax	584,462,666	448,713,657
Supplementary Duty	27,643,490	28,307,975
Customs Duty	141,116,867	128,415,546
<b>Shareholders</b>		
Dividend to Shareholders	26,041,666	39,062,499
<b>Retention for future business growth</b>		
Retained Earnings	411,190,105	285,832,152
Depreciation and Amortization	982,215,429	989,513,447
<b>Total Wealth Distribution</b>	<b>3,572,326,062</b>	<b>3,049,250,385</b>

Wealth Distribution (%) 2020-2021



Wealth Distribution (%) 2019-2020



# ECONOMIC VALUE-ADDED STATEMENT

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes on a cash basis. EVA can also be referred to as economic profit, and it attempts to capture the true economic profit of a company.

## Economic Value-Added as of June 30, 2021 and June 30, 2020

Figures in BDT mn.

Description	FY 2020-2021	FY 2019-2020
Operating profit	1,425,264,677	1,395,880,597
Provision for Income Tax	55,701,700	51,279,394
<b>Net Operating profit after tax (NOPAT)</b>	<b>1,369,562,977</b>	<b>1,344,601,202</b>
Charges for capital		
Capital Employed*	22,577,339,675	20,440,558,967
WACC	4.41%	4.31%
Capital Charges	995,660,680	880,988,091
<b>Economic Value added</b>	<b>373,902,298</b>	<b>463,613,111</b>
*Capital Employed		
Total Assets	28,738,810,419	27,544,362,833
Less: Current Liabilities	(6,161,470,744)	(7,103,803,866)
	<b>22,577,339,675</b>	<b>20,440,558,967</b>

N.B. Numbers has shown biased on consolidate.

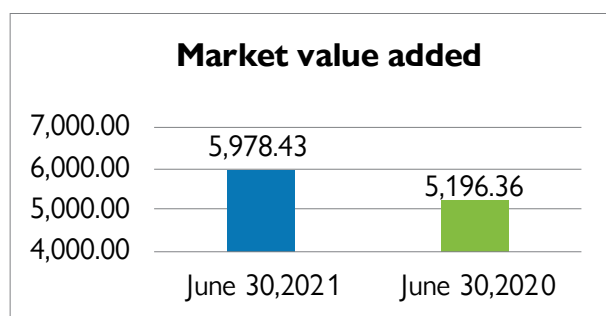
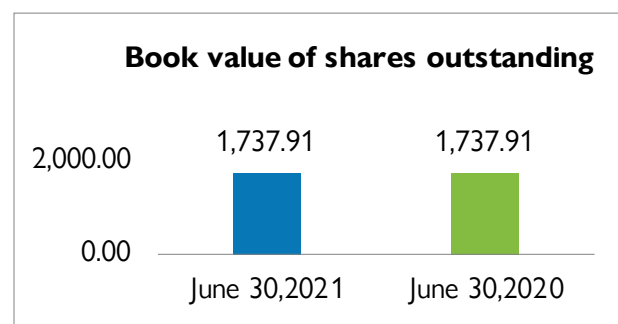
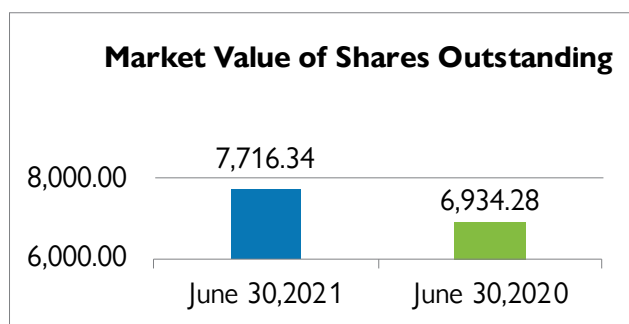
# MARKET VALUE-ADDED STATEMENT

Market value added is a calculation that shows the difference between the market value of a company and the capital contributed by all investors or shareholders. This is not a performance indicator. Essentially, it is used to determine exactly how much value the firm has accumulated over time. This amount is derived from the difference between market capitalization and book value of the shares outstanding. Market value added is one of the market indicators of value creation. The greater market value added indicates the company has created substantial wealth for shareholders.

## Market Value Added as of June 30, 2021 and June 30, 2020

Figures in BDT mn.

Concentration	June 30, 2021	June 30, 2020
Market value of shares outstanding	7,716.34	6,934.28
Book value of shares outstanding	1,737.91	1,737.91
Market value added	5,978.43	5,196.36





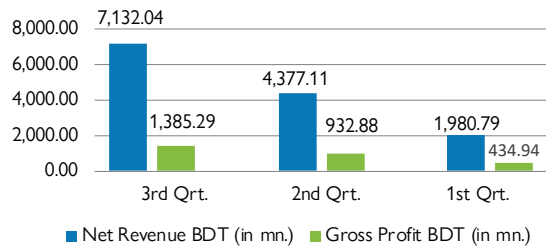
# PERFORMANCE OF QUATERLY FS 2020-2021

The financial statements have been prepared on a going concern basis for each quarter, the Board of Directors have duly reviewed the financial position and performance, including consideration of all the financial and the other principal risks which may impact the Company's performance in the near term for each financial quarter.

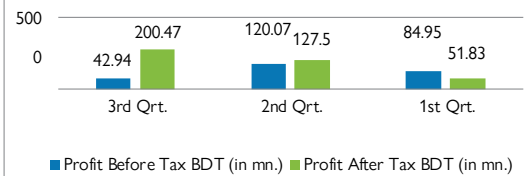
The quarterly financial statements have submitted to regulatory agencies of the capital market as per the provision within the time frame and the each quarterly financial statement duly disclosed and uploaded in the website of the company. The key financial indicators for each quarter shown as follows:

Finger in BDT mn.			
Particular	1st Quarter (July 20-Sep 20)	2nd Quarter (Oct 20-Dec 20)	3rd Quarter (Jan 21-Mar 21)
Net Revenue	1,980.79	4,377.11	7,132.04
Gross Profit	434.94	932.88	1,385.29
Profit Before Tax	84.95	120.07	42.94
Profit After Tax	51.83	127.50	200.47
Retained Earnings	2,233.36	2,371.27	2,365.85
Earnings Per share	0.30	0.73	1.15
Net Asset Values /Share	43.86	44.64	44.59
Net Operating Cash Flow/Share	0.09	(2.43)	(3.99)

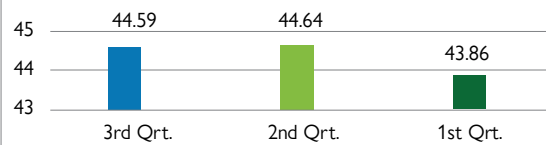
### NET REVENUE VS GROSS PROFIT



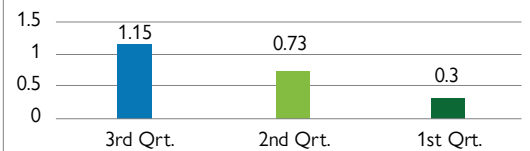
### PROFIT BEFORE TAX VS PROFIT AFTER TAX



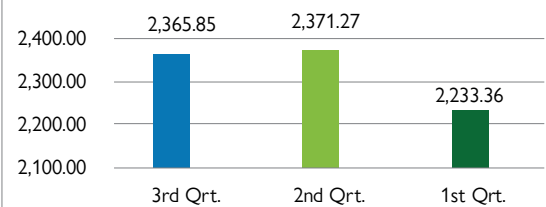
### NET ASSET VALUES /SHARE BDT



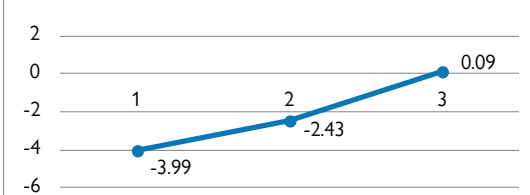
### EARNINGS PER SHARE BDT



### RETAINED EARNINGS BDT (IN MN.)



### NET OPERATING CASH FLOW/SHARE



# COMMUNICATION OF SHAREHOLDERS

During the FY 2020-2021 the published Notice & Price Sensitive Information (PSI) for the Shareholder:

Sl.	Particulars	Category	Communicated through		Date
			BPML	Regulators	
1.	Finalize FS for FY 2019-2020 and declaration of 27th AGM	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	07 Nov, 2020
2.	Un-audited FS of 1Q of FY 2020-2021 approval	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	12 Nov, 2020
3.	27th AGM Notice	General Notice	Newspapers, Online Portal, Website	DSE, CSE, BSEC, CDBL	26 Nov ,2020
4.	Distribution of Dividend for FY 2019-2020	General Notice	Newspapers, Online Portal, Website	DSE, CSE, BSEC	24 Jan, 2021
5.	Un-audited FS of 2Q of FY 2020-2021 approval	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	28 Jan, 2021
6.	Un-audited FS of 3Q of FY 2020-2021 approval	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	29 April, 2021

## Investors Relation Contacts:

Name	Position in Company	Contact Details
Mr. M. Mazedul Islam	Company Secretary	Phone + 88 02 8431256-8
		+ 88 02 8432289-93
		Fax + 88 02 8432305
		E-mail mazedul.islam@bgc-bd.com
		cs.bpml@bgc-bd.com

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.

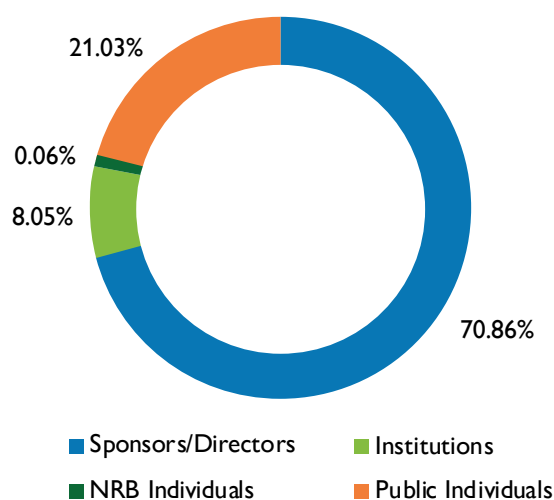
# SHAREHOLDING INFORMATION FOR INVESTORS

1. Shareholding Position in number and percentage as on Record Date, 30 November, 2021 of 28th AGM:

Sl. No.	Name of Shareholders	Nos. of Shareholders	Nos. of Shares	% of Holdings
1.	<b>Sponsors/Directors</b>	05		
	Mr. Ahmed Akbar Sobhan		4,000,000	2.30%
	Ms. Afroza Begum		5,885,200	3.39%
	Mr. Md. Imrul Hassan		4,002,000	2.30%
	Mr. Md. Nazmul Alam Bhuiyan-Nominated by EWPD		101,050,575	58.14%
	Mr. Safwan Sobhan		8,203,000	4.72%
	<b>Sub Total</b>		<b>123,140,775</b>	<b>70.86%</b>
2.	<b>Institutions</b>	156	13,761,695	7.92%
3	<b>NRB Individuals</b>	592	1,668,450	0.10%
4.	<b>Public Individuals</b>	9,684	36,722,131	21.13%
	<b>Grand Total nos. of shares</b>	<b>10,437</b>	<b>173,791,441</b>	<b>100%</b>

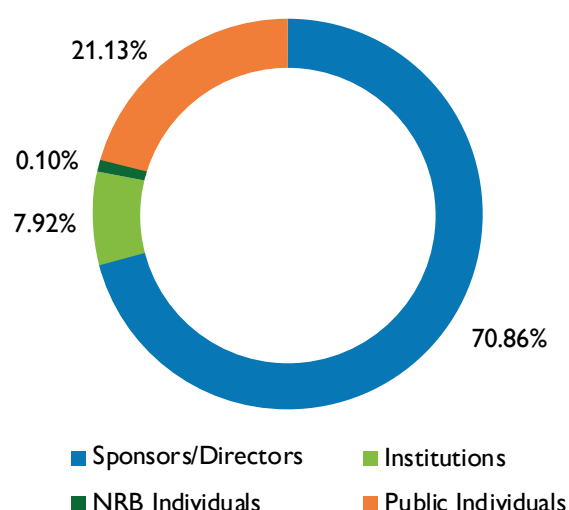
Shareholding Position as on  
30 June, 2021

SHAREHOLDING POSITION IN (%)

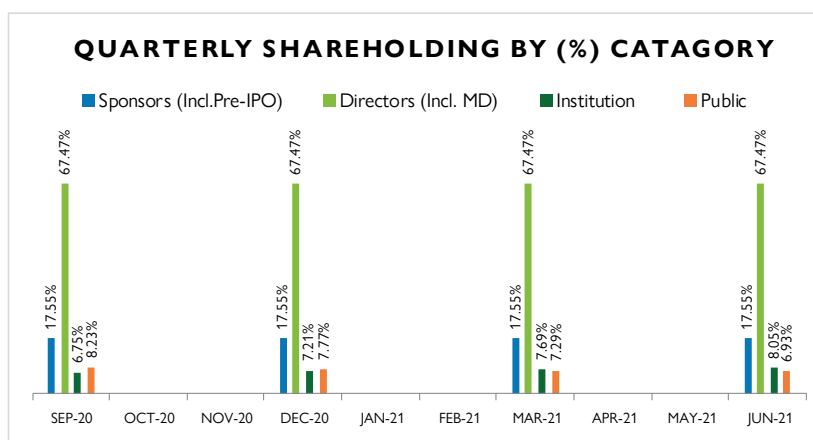


Shareholding Position as on Record Date  
30 November, 2021

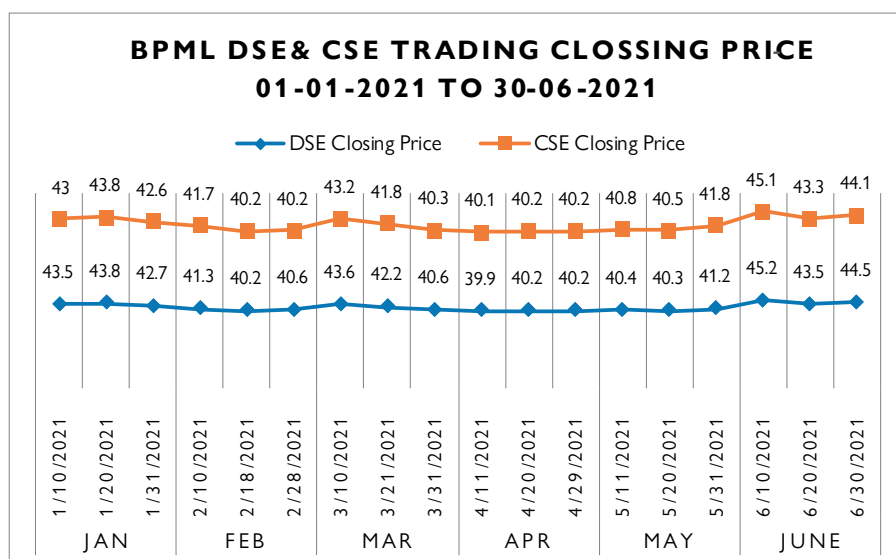
SHAREHOLDING POSITION IN (%)



2. Quarterly Shareholding Position by Category in Percentage for FY 2020-2021 :



3. Share pricing performance in Capital Market



4. Financial Calendar and Compliance on Financial Statements for July- June

July-20	Aug -20	Sep -20	Oct-20	Nov -20	Dec -20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	June-21
		End-1Q		PSI, Record Date & Dividend Declaration	End-2Q	PSI, & Dividend Disbursed		End-3Q	PSI		Year Closing
					Holding of 27th AGM						

5. Company Website

Each and every stakeholders of the company can access to get any information regarding the Board of Directors, Top Management, Financial Information, Price Sensitive Information, General Notice of the Company including personal Contact information from the verified website **[www.bashundharapapermills.com](http://www.bashundharapapermills.com)**

6. Investors Relations and Complain Cell

To consider the right to information of the Investors the company continually update all the related information in the website under Investors Relation. The company also maintain and monitor a complain cell through **[www.bashundharapapermills.com/investor relation//complain cell](http://www.bashundharapapermills.com/investor relation//complain cell)** to protect the interest of the investors the company.

# FINANCIAL STATEMENTS





# CFO & CEO DECLARATION ON FINANCIAL STATEMENTS

## Annexure-A

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

Date: 07 November, 2021  
The Board of Directors  
Bashundhara Paper Mills Limited

**Subject: Declaration on Financial Statements for the year ended as on 30/06/2021.**

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 30/06/2021 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 30/06/2021 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

**AHKC**  
**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 2021, 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 2021, 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 for 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
<p><b>Property, plant and equipment (PP&amp;E)</b></p> <p>The carrying value of PP&amp;E as at 30 June 2021 was BDT. 17,196,152,412 Which is 59.83% 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 by considering our knowledge of the business.</li> </ul>
See note no. 4.00 of the financial statements.	

## Risk

## Our response to the risk

### Valuation of Inventory

The Company had inventory of BDT 7,865,259,218 at 30 June 2021, held and across multiple product lines. Inventories are carried at the lower of cost and net realizable value.

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.

We performed a number of audit procedures for inventory valuation and existence. The procedure introduced any others the followings:

- Evaluated and selected systems and processes for inventory and tested a sample of key controls for establishing volumes and cost;
- Evaluated the stocking process in the selected stores and undertook our own test of control;
- Tested, on a sample basis, stocks of raw materials to actual prices. Assessed the reasonableness of the product and service costing;
- 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;
- 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.

See note no. 9.00 to the financial statements

### Revenue recognition

At year end of the Company reported total revenue of BDT 9,282,857,069.

The Company has multiple revenue units including Unit-1, Unit-2 & 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.

Our audit procedures included, among others, the following:

- We evaluated the revenue recognition principles applied by the Company towards applicable accounting standards;
- We evaluated the revenue recognition of different segments of revenue in relation to the terms of the service terms;
- We tested the key controls over the calculation, authorization and approval of bills forwarded to customers and the capturing and recording of revenue transactions;
- We tested the timing of the revenue recognition;
- We evaluated the appropriateness of the notes related to the Company's revenue;
- We critically assessed manual journals posted to revenue to identify unusual or irregular items; and
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

See note no. 26 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.

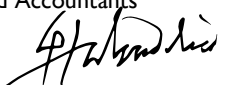
## Report on other Legal and Regulatory Requirements

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.

07 November, 2021  
Dhaka

Signed for and on behalf of  
**Aziz Halim Khair Choudhury**  
Chartered Accountants

Signed by:   
**Md. Aftab Uddin Ahmed FCA**  
Senior Partner  
ICAB Enrolment No.: 804  
DVC# 2111080804AS382276

**BASHUNDHARA PAPER MILLS LIMITED****Statement of financial position**

As at 30 June 2021

	Notes	30-Jun-21	30-Jun-20
		Amount in Taka	
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>18,504,032,435</b>	<b>17,200,941,398</b>
Property, plant and equipment, net	4	17,196,152,412	15,407,776,066
Intangible Assets, net	5	150,790,856	158,794,592
Right-of-use assets	6	27,166,916	41,169,020
Capital work-in-progress	7	864,922,251	1,328,201,720
Investment	8	265,000,000	265,000,000
<b>Current assets</b>		<b>10,234,777,984</b>	<b>10,343,421,435</b>
Inventories	9	7,865,259,218	7,464,742,402
Trade and other receivables	10	766,820,718	1,404,774,156
Advances, deposits and prepayments	11	750,153,312	708,955,164
Advance income tax	12	436,146,583	483,959,471
Cash and bank equivalents	13	416,398,153	280,990,242
<b>Total assets</b>		<b>28,738,810,419</b>	<b>27,544,362,833</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>8,112,174,974</b>	<b>7,727,026,536</b>
Share capital	14	1,737,914,410	1,737,914,410
Share premium	15	1,739,583,292	1,739,583,292
Revaluation reserve	16	2,053,172,481	2,072,945,223
Retained earnings	17	2,581,504,792	2,176,583,611
<b>Liabilities</b>			
<b>Non-current Liability</b>		<b>14,465,164,701</b>	<b>12,713,532,431</b>
Long term borrowings	18	13,073,901,189	11,181,370,158
Lease Liabilities	19	207,593,665	343,036,876
Deferred tax liability	20	1,183,669,847	1,189,125,397
<b>Current liabilities</b>		<b>6,161,470,744</b>	<b>7,103,803,866</b>
Long term borrowings-current portion	21	2,156,870,384	1,974,333,458
Short term borrowings	22	2,634,775,834	3,126,622,375
Trade and other payables	23	1,144,864,139	1,576,257,948
Provision for expenses	24	51,743,762	110,078,848
Income tax provision	25	173,216,625	316,511,236
<b>Total liabilities</b>		<b>20,626,635,445</b>	<b>19,817,336,297</b>
<b>Total equity and liabilities</b>		<b>28,738,810,419</b>	<b>27,544,362,833</b>
<b>Net Asset Value Per Share</b>	<b>41</b>	<b>45.81</b>	<b>43.55</b>

The annexed notes 1 to 53 form an integral part of these financial statements.

  
 Chief Financial Officer

  
 Director


  
 Company Secretary

  
 Chairman

  
 Managing Director

As per our report of same date

**Aziz Halim Khair Choudhury**  
 Chartered Accountants

 Signed by:   
**Md. Aftab Uddin Ahmed FCA**  
 Senior Partner  
 ICAB Enrolment No.: 804  
 DVC# 2111080804AS382276

 Dated, Dhaka  
 07 November 2021



## BASHUNDHARA PAPER MILLS LIMITED

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

for the period ended 30 June 2021

	Notes	01-Jul-2020 to 30-Jun-2021	01-Jul-2019 to 30-Jun-2020
<b>Amount in Taka</b>			
Revenue, net	26	9,282,857,069	8,544,463,487
Cost of sales	27	(7,360,026,462)	(6,666,877,871)
<b>Gross profit</b>		<b>1,922,830,607</b>	<b>1,877,585,616</b>
Other income	28	67,601,288	74,513,580
Administrative expenses	29	(368,168,177)	(360,254,388)
Selling & distribution expenses	30	(196,999,041)	(195,964,212)
Finance costs	31	(999,856,244)	(922,735,151)
<b>Profit before distribution of WPP &amp; WF</b>		<b>425,408,433</b>	<b>473,145,445</b>
Workers' profit participation & welfare fund		(21,270,422)	(23,657,272)
<b>Profit before tax</b>		<b>404,138,012</b>	<b>449,488,173</b>
<b>Income tax expenses</b>	<b>32</b>	<b>7,052,093</b>	<b>(163,651,438)</b>
Current tax (expense)		1,596,543	(51,279,394)
Deferred tax (expense)/income		(90,931,052)	(112,372,044)
Deferred tax income resulting from reduction in tax rate		96,386,602	-
<b>Profit after tax</b>		<b>411,190,105</b>	<b>285,836,735</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>411,190,105</b>	<b>285,836,735</b>
<b>Earnings per share</b>			
<b>Basic earnings per share (per value of Tk. 10)</b>	<b>33.01</b>	<b>2.37</b>	<b>1.64</b>

The annexed notes 1 to 53 form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary


  
Managing Director

  
Director

  
Chairman

As per our report of same date

**Aziz Halim Khair Choudhury**  
Chartered Accountants

Signed by:   
**Md. Aftab Uddin Ahmed FCA**  
Senior Partner  
ICAB Enrolment No.: 804  
DVC# 2111080804AS382276

Dated, Dhaka  
07 November 2021

**BASHUNDHARA PAPER MILLS LIMITED****Statement of changes in equity**  
for the period ended 30 June 2021

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	Amount in Taka				
Balance as on 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>2,072,945,223</b>	<b>2,176,583,610</b>	<b>7,727,026,536</b>
Balance as at 01 July 2020	1,737,914,410	1,739,583,292	2,072,945,223	2,176,583,610	7,727,026,536
Transfer to retained earnings	-	-	(19,772,743)	19,772,743	-
Payment of cash dividend	-	-	-	(26,041,666)	(26,041,666)
Total Comprehensive Income for the year	-	-	-	411,190,105	411,190,105
<b>Balance as at 30 June 2021</b>	<b>1,737,914,410</b>	<b>1,739,583,292</b>	<b>2,053,172,481</b>	<b>2,581,504,791</b>	<b>8,112,174,974</b>

  
 Chief Financial Officer

  
 Company Secretary

  
 Managing Director

  
 Director

  
 Chairman

# BASHUNDHARA PAPER MILLS LIMITED

## Statement of cash flows

for the period ended 30 June 2021

	Notes	01-Jul-2020 to 30-Jun-2021	01-Jul-2019 to 30-Jun-2020
Amount in Taka			
<b>A) Cash flows from operating activities</b>			
Receipts from customers	36.01	10,537,664,394	11,347,128,003
Receipts from other income	36.02	67,335,200	37,421,737
		10,604,999,593	11,384,549,740
Payment to suppliers, employees & others	36.03	(7,896,741,641)	(6,471,221,104)
Cash generated from operations		2,708,257,952	4,913,328,636
VAT paid	26	(584,462,666)	(448,713,657)
SD Paid	26	(27,643,490)	(28,307,975)
Income taxes paid	12	(93,885,180)	(109,262,362)
Bank charges and commission	31	(7,400,395)	(8,023,610)
<b>Net cash (used in)/ generated by operating activities</b>		<b>1,994,866,221</b>	<b>4,319,021,031</b>
<b>B) Cash flows from investing activities</b>			
Payments for property, plant and equipment		(569,605,882)	650,121,637
Adjustment/ transfer of intangible assets		(735,423)	5,703,750
Adjustment/ transfer for property, plant and equipment		(1,167,394)	478,993
Receipts/ transfer of capital work-in-progress		(1,717,230,301)	(3,119,210,982)
<b>Net cash (used in)/ generated by investing activities</b>		<b>(2,288,739,000)</b>	<b>(2,462,906,602)</b>
<b>C) Cash flows from financing activities</b>			
Received/ (repayment) of short term borrowings		(491,846,540)	(4,957,608,603)
Payments of Bank interest and other charges		(992,455,849)	(912,679,720)
Payments of dividends to owners of the company		(26,041,666)	(39,062,499)
Received/ (repayment) of lease liabilities		(135,443,211)	304,090,556
Received/ (repayment) of long term borrowings		2,075,067,956	2,693,481,286
<b>Net cash (used in)/ generated by financing activities</b>		<b>429,280,689</b>	<b>(2,911,778,980)</b>
<b>D) Net increase in cash and cash equivalents (A+B+C)</b>		<b>135,407,911</b>	<b>(1,055,664,550)</b>
<b>E) Cash and cash equivalents at the beginning</b>	<b>13</b>	<b>280,990,242</b>	<b>1,336,654,791</b>
<b>F) Cash and cash equivalents at the end (D+E)</b>	<b>13</b>	<b>416,398,153</b>	<b>280,990,242</b>
<b>Net Operating Cash Flows per share</b>	<b>42</b>	<b>11.48</b>	<b>24.85</b>

The annexed notes 1 to 53 form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Director

  
Chairman

# BASHUNDHARA PAPER MILLS LIMITED

## Notes to the financial statements

As at and for the year ended 30 June 2021

### 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, feeding bottle, facial mask, 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 is 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 19: Finance lease obligations (classification and measurement)

Note 20: Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities)

Note 26: Revenue (allocation of revenue among multiple elements, determination of percentage of completion for services rendered)

Note 32: 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	20.00
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.

<b>2.6</b>	<b>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</b>
<b>2.6.1</b>	<b>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.</b>
<b>2.6.2</b>	<b>The accounting policies on all material areas have been stated clearly in the notes marked from 3.00 to 3.30</b>
<b>2.6.3</b>	<b>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:</b>

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 2021.

## **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, 2020 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, 2020 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, 2021 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	3-15
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.

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### **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.

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### **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.

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### **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.

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### **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.

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## **3.2 INTANGIBLE ASSETS**

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### **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.

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### **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.

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### **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.

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### **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 recognized in profit or loss.

#### Financial assets at amortised cost

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

- 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.
- 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.
- 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.

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### 3.5 IMPAIRMENT OF FINANCIAL ASSETS

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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
Finished goods and Work-in-process	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.
Raw and packing materials	At the lower of cost and net realizable value.
Stores and spares	At the lower of weighted average cost and net realizable value.
Materials and stores in-transit	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: 34 and 35.

### **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 22.5% (2019-2020: 25%). Provision for taxation has been made on the basis of the Finance Act, 2021.

#### **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. ভবিঃতঃঅনুঃ(বসুদ্বারা)/বৃকইউ/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 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 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 exchanges 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.

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### 3.15 BORROWING COSTS

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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

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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

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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

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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.

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### 3.16 SHARE CAPITAL

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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.

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**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. 38.00.

**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 (See Note: 51). 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.

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### **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.

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### **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.

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### **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).

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### **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.

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### **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.**

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		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>04.00</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	<b>1. Based on Cost:</b>		
	<b>A. Cost:</b>		
	Opening Balance	18,268,629,413	15,239,687,497
	Less: Transfer/ Disposal/ Reclassification during the year	(7,162,607)	(112,803,043)
	Add: Addition during the year	2,751,900,186	3,141,744,959
	<b>Closing Balance</b>	<b>21,013,366,991</b>	<b>18,268,629,413</b>
	<b>B. Accumulated depreciation:</b>		
	Opening Balance	5,414,030,981	4,532,244,778
	Less: Transfer/ Disposal/ Reclassification during the year	(3,848,358)	(57,152,926)
	Add: Charged during the year	935,621,053	938,939,130
	<b>Closing Balance</b>	<b>6,345,803,677</b>	<b>5,414,030,981</b>
	<b>C. Written down value on cost (A-B)</b>	<b>14,667,563,315</b>	<b>12,854,598,431</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	295,160,343	266,591,866
	Less: Transfer/ Disposal during the year	-	-
	Add: Charged during the year	24,588,537	28,568,477
	<b>Closing Balance</b>	<b>319,748,880</b>	<b>295,160,343</b>
	<b>C. Written down value on revaluation (A-B)</b>	<b>2,528,589,097</b>	<b>2,553,177,635</b>
	<b>3. Written down value on cost and revaluation (1+2)</b>	<b>17,196,152,412</b>	<b>15,407,776,066</b>
	Details of property, plant & equipment are shown in 'Annexure-A'		
<b>4.01</b>	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.		
<b>4.02</b>	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.		
<b>4.03</b>	Depreciation begins when the asset is available for use and continues until the asset is derecognized.		
<b>05.00</b>	<b>INTANGIBLE ASSETS</b>		
	<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>
	<b>B. Accumulated amortization:</b>		
	Opening Balance	30,833,113	22,829,378
	Less: Transfer/ Disposal during the year	-	-
	Add: Charged during the year	8,003,735	8,003,735
	<b>Closing Balance</b>	<b>38,836,848</b>	<b>30,833,113</b>
	<b>C. Written down value (A-B)</b>	<b>150,790,856</b>	<b>158,794,592</b>
	Details of Intangible assets are shown in 'Annexure- B'		

		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>06.00</b>	<b>RIGHT-OF-USE ASSETS</b>		
	<b>A. Cost:</b>		
	Opening Balance	111,791,600	-
	Add: Reclassification on initial application of IFRS 16 as at 01 January 2019"	-	111,791,600
	Addition during the year	-	-
	<b>Closing Balance</b>	<b>111,791,600</b>	<b>111,791,600</b>
	<b>B. Accumulated amortization:</b>		
	Opening Balance	70,622,580	-
	Add: Reclassification on initial application of IFRS 16 as at 01 January 2019"	-	56,620,476
	Add: Charged during the year	14,002,104	14,002,104
	<b>Closing Balance</b>	<b>84,624,684</b>	<b>70,622,580</b>
	<b>C. Written down value (A-B)</b>	<b>27,166,916</b>	<b>41,169,020</b>
	Details of right of use of assets are shown in 'Annexure- C'		
<b>07.00</b>	<b>CAPITAL WORK-IN-PROGRESS</b>		
	<b>A. Plant and machinery:</b>		
	Opening balance	945,637,747	1,445,471,202
	Add: Addition made during the year	932,102,605	2,618,610,970
	Less: Adjustment/transfer to appropriate asset category	(1,438,303,663)	(3,118,444,425)
	<b>Closing balance</b>	<b>439,436,688</b>	<b>945,637,747</b>
	<b>B. Factory building and other constructions:</b>		
	Opening balance	371,055,224	557,586,396
	Add: Addition made during the year	785,127,696	489,091,262
	Less: Adjustment/transfer to appropriate asset category	(742,941,530)	(675,622,435)
	<b>Closing balance</b>	<b>413,241,390</b>	<b>371,055,224</b>
	<b>C. Intangible assets (SAP Software):</b>		
	Opening balance	11,508,750	5,703,750
	Add: Addition made during the year	229,820	11,508,750
	Less: Adjustment/transfer to appropriate asset category	505,603	(5,703,750)
	<b>Closing balance</b>	<b>12,244,173</b>	<b>11,508,750</b>
	<b>D. Total (A+B+C)</b>	<b>864,922,251</b>	<b>1,328,201,720</b>
<b>08.00</b>	<b>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>
<b>08.01</b>	This represents investments of 26,500,000 Ordinary Share @ Tk. 10/- each in Bashundhara Industrial Complex Limited, being sister concern of the company, is the owner of 6.63% shares of the company.		
<b>09.00</b>	<b>INVENTORIES</b>		
	Raw material	3,987,540,727	3,806,453,628
	Finished goods	1,114,965,573	1,205,490,807
	Stores and spare parts	998,035,751	998,492,809
	Work-in-process	1,454,530,838	1,182,430,158
	Material in transit	310,186,329	271,875,000
	<b>Total</b>	<b>7,865,259,218</b>	<b>7,464,742,402</b>



			Amount in Taka		
			30-Jun-21	30-Jun-20	
10.00	TRADE & OTHER RECEIVABLES				
	Trade receivables	NOTE: 10.01	654,624,734	1,162,896,496	
	Other receivables	NOTE: 10.02	112,195,985	241,877,660	
	Total		766,820,718	1,404,774,156	
10.01	Trade receivables:		654,624,734	1,162,896,496	
	Hygiene product		27,129,200	10,785,362	
	Paper product		123,247,913	709,175,185	
	Demy paper		1,912,635	(2,540,060)	
	Paper sack product		148,941,075	175,222,320	
	Tissue products		213,552,515	225,710,712	
	Export		139,841,397	44,542,978	
10.02	Other receivables:		112,195,985	241,877,660	
	Other receivables		40,692,456	165,626,400	
	Cash incentive receivables		71,503,528	71,769,617	
	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-21	0-90 days past due	90-180 days past due	Dues over 6 months	Total
	Paper products	121,968,177	117,517,213	(114,324,842)	125,160,548
	Tissue products	109,856,091	42,832,763	60,863,662	213,552,516
	Hygiene products	17,501,764	2,232,346	7,395,089	27,129,200
	Paper sack products	6,382,000	3,512,030	139,047,045	148,941,075
	Export	67,562,395	63,611,708	8,667,293	139,841,397
	Total	323,270,427	229,706,061	101,648,247	654,624,734
	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
	Total	470,365,601	473,314,754	219,216,141	1,162,896,496
			Amount in Taka		
			30-Jun-21	30-Jun-20	
10.04	Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994				
	Maturity within 3 months		323,270,427	470,365,601	
	Maturity over 3 months but within 6 months		229,706,061	473,314,754	
	Maturity more than 6 months		101,648,247	219,216,141	
	Total		654,624,734	1,162,896,496	

		Amount in Taka	
		30-Jun-21	30-Jun-20
	Debts considered Good & Secured	521,163,893	713,019,360
	Debts considered Good without security	-	-
	Debts considered doubtful & bad	-	-
	Debts due by directors or other officers & staffs	-	-
	Debts due from companies under same management	133,460,841	449,877,136
	Maximum debt due by directors or officers & staffs at any time	-	-
	<b>Total</b>	<b>654,624,734</b>	<b>1,162,896,496</b>
<b>10.05</b>	<b>All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.</b>		
<b>10.06</b>	<b>There is no such trade receivable due by or to directors or other officers of the Company.</b>		
<b>10.07</b>	<b>Management considered the receivables are collectable and thus no provision had been made for any receivable.</b>		
<b>11.00</b>	<b>ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
	<b>Advances:</b>		
	Advance against advertisement	785,000	1,592,650
	Advance against Legal and consultancy	3,180,000	3,180,000
	Advance against insurance premium	111,620	412,214
	Advance against land and land development	NOTE:11.08	55,801,339
	Advance against motor vehicle	2,228,879	239,826
	Advance to employee	1,210,740	845,000
	Advance to other expense	57,966,912	91,604,909
	Advance to suppliers	NOTE:11.09	248,419,122
	Advance Tax	-	29,768
	SD current account	49,361	49,363
	VAT current account	NOTE:11.10	9,223,195
	<b>Total advance</b>	<b>378,976,167</b>	<b>248,010,994</b>
	<b>Deposit:</b>		
	Bank guarantee margin	NOTE:11.11	18,334,015
	Deposit to Bangladesh Bank	NOTE:11.12	150,000,000
	Deposit to Finance Lease	-	1,644,495
	L/C margin deposit	NOTE:11.13	121,200,853
	Security deposit	NOTE:11.14	81,642,276
	<b>Total deposits</b>	<b>371,177,145</b>	<b>460,944,170</b>
	<b>Total</b>	<b>750,153,312</b>	<b>708,955,164</b>
<b>11.01</b>	<b>These include dues realizable/adjustable within one year from the balance sheet date</b>	<b>323,174,828</b>	<b>192,209,655</b>
<b>11.02</b>	<b>These include aggregate amount due by, executives, managers, officers and staffs</b>	<b>1,210,740</b>	<b>845,000</b>
<b>11.03</b>	<b>The maximum aggregated amount due by executives, managers, officers and staffs of the company at the end of any month during the year</b>	<b>646,092</b>	<b>200,000</b>
<b>11.04</b>	<b>Advance recoverable in cash</b>	<b>1,210,740</b>	<b>845,000</b>

		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>11.05</b>	<b>Advance outstanding for a period exceeding six months</b>	<b>55,801,339</b>	<b>55,801,339</b>
<b>11.06</b>	<b>Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994</b>		
	Advance, deposits & prepayments considered good & secured	748,296,479	707,910,164
	Advance, deposit & prepayments considered Good without security	-	-
	Advance, deposit & prepayments considered doubtful & bad	-	-
	Advance, deposit & prepayments due by directors or other officers & staffs	1,210,740	845,000
	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>750,153,312</b>	<b>708,955,164</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 and SD. VAT and SD current account showed positive balance (advance payment) as of 30 June 2021.		
11.11	This represents the guarantee margins with different banks against guarantee provided by them favoring suppliers and other parties.		
11.12	<p>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.</p> <p>However, the respondents made a civil petition for leave to appeal (Ref: appeal no# 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.</p> <p>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.</p>		
<b>11.13</b>	<b>Break up of L/C margin deposit:</b>		
	Shahjalal Islami Bank Ltd.	6,660,337	21,970,439
	Social Islami Bank Ltd.	950,000	950,000
	Standard Bank Ltd	-	17,430,723
	IFIC Bank Ltd.	-	391,000
	Janata Bank	29,477,265	-
	First Security Islami Bank Ltd.	21,693,059	43,458,109
	Mercantile Bank Ltd.	-	20,852,000
	South East Bank Ltd.	30,175,548	28,386,729
	National Bank Ltd.	32,244,645	24,853,186
	Trust Bank Ltd.	-	1,162,577
	Al-Arafa Islami Bank Ltd.	-	64,061,000
		<b>121,200,853</b>	<b>223,515,762</b>

		Amount in Taka	
		30-Jun-21	30-Jun-20

#### 11.14 Break up of Security Deposit:

Name of Company/ Party	Purpose	30-Jun-21	30-Jun-20
Titas Gas Co. Ltd.	Supply of GAS	70,134,867	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	464,000	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
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	3,942,313	5,925,716
<b>Total</b>		<b>81,642,276</b>	<b>67,238,379</b>

#### 12.00 ADVANCE INCOME TAX

<b>Opening balance</b>	<b>483,959,471</b>	<b>374,697,109</b>
<b>Add: addition during the year, on:</b>	<b>93,885,180</b>	<b>109,262,362</b>
Import of raw materials and machineries	46,910,614	54,435,601
Interest income	65,404	1,343,433
Sales	34,937,521	47,897,387
License, renewal and registration	5,307,500	3,514,000
Others	6,664,142	2,071,941
Less: adjusted during the year	(141,698,068)	-
<b>Closing balance</b>	<b>436,146,583</b>	<b>483,959,471</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 IAS 1 and IAS 12 as and when the assessment is completed.**

#### 13.00 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:

<b>Cash in hand</b>	<b>24,271,502</b>	<b>29,636,725</b>
<b>Bkash Account</b>	<b>16,060</b>	<b>12,000</b>
<b>Cash at bank</b>	<b>392,110,591</b>	<b>251,341,517</b>
Current deposit	372,591,997	217,284,809
Short term bank deposits (STD)	19,518,595	34,056,707
<b>Cash and bank balances in the statement of cash flows</b>	<b>416,398,153</b>	<b>280,990,242</b>

All bank balances are reconciled with bank statements.

		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>14.00 SHARE CAPITAL</b>			
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:			
<b>Authorized share capital:</b>			
500,000,000 nos. ordinary shares of Taka 10 each.		<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>Issued, subscribed &amp; paid up:</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>14.01 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>
<b>14.02 Position of shareholding</b>			

**14.02.1 Percentage of Shareholders**

Name of shareholders	30-Jun-21		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>

**14.02.2 Classification of shareholder's by holding range**

	No of Share holders		No of shares	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
1-500 shares	7,911	10,990	1,237,901	1,488,280
501 to 5,000 shares	2,746	3,431	4,804,168	6,183,233
5,001 to 10,000 shares	314	402	2,382,156	2,968,122
10,001 to 20,000 shares	172	211	2,481,926	2,975,638
20,001 to 30,000 shares	80	91	1,928,656	2,228,692
30,001 to 40,000 shares	24	24	829,785	819,454
40,001 to 50,000 shares	25	24	1,149,649	1,096,164
50,001 to 100,000 shares	28	31	2,143,557	2,214,559
100,001 to 1,000,000 shares	36	30	7,644,148	6,067,524
1,000,001 to 1,000,000,000 shares	8	7	149,189,495	147,749,775
<b>Total</b>	<b>11,344</b>	<b>15,241</b>	<b>173,791,441</b>	<b>173,791,441</b>

		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>15.00</b>	<b>SHARE PREMIUM</b>		
	Opening Balance	1,739,583,292	1,739,583,292
	<b>Add:</b> Addition during the year	-	-
	<b>Less:</b> Adjustment during the year	-	-
	<b>Closing Balance</b>	<b>1,739,583,292</b>	<b>1,739,583,292</b>
<b>15.01</b>	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 10% 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.)		
<b>16.00</b>	<b>REVALUATION RESERVE</b>		
	Opening Balance	2,072,945,223	2,092,726,250
	Add: Increase arising on revaluation of properties	-	-
	Less: Transferred to retained earnings	(19,772,743)	(19,781,027)
	<b>Closing Balance</b>	<b>2,053,172,481</b>	<b>2,072,945,223</b>
<b>17.00</b>	<b>RETAINED EARNINGS</b>		
	Opening balance	2,176,583,611	1,910,028,347
	Add: Profit attributable to the owners of the Company	411,190,105	285,836,735
	Transferred from properties revaluation reserve	19,772,743	19,781,027
	Less: Payment of dividend	(26,041,666)	(39,062,499)
	<b>Closing balance</b>	<b>2,581,504,792</b>	<b>2,176,583,611</b>
<b>18.00</b>	<b>LONG TERM BORROWINGS</b>		
	Long term borrowings	14,012,129,960	12,804,507,453
	Other Finance	1,069,789,779	203,382,557
	<b>Total Long Term borrowings</b>	<b>15,081,919,739</b>	<b>13,007,890,009</b>
	Less: Current portion of long term borrowings	(2,008,018,551)	(1,826,519,851)
	<b>Due after one year</b>	<b>13,073,901,189</b>	<b>11,181,370,158</b>

**18.01 The details of bank loan arrangement is enumerated below:**

Limit in Crore			
Type of loan	Limit	Purpose	Security
Project loan	123.52	To establish and support the project.	2135.25 decimal of project land at Sonargaon, Narayanganj and plant & machineries
Term loan	1,597.50	1. Importation of raw materials and spare parts. 2. To retire import documents. 3. To meet working capital requirements.	1. 718.4224 decimal plant land at Sonargaon, Narayanganj . 2. 5,319.54 decimal land at Bashundhara Baridhara Project. 3. 1,195.69 decimal of land at Bashundhara Riverview project. 4. 1,48,556.27sft. Floor space at Bashundhara City Development Ltd. 5. Project plant & machineries.
Lease	5.13	Machinery and Vehicle	Machinery and Vehicle title/ownership.

		Amount in Taka		
		30-Jun-21	30-Jun-20	
<b>19.00</b>	<b>LEASE LIABILITIES</b>			
	Islamic Finance & Investment Ltd.	27,132,747	39,217,782	
	First Security Islami Bank Ltd.	329,312,751	410,186,979	
	GSP Finance Company (BD) Ltd.	-	41,445,722	
	<b>Total lease liabilities</b>	<b>356,445,498</b>	<b>490,850,484</b>	
	Less: Current portion of lease liabilities	(148,851,833)	(147,813,607)	
	<b>Due after one year</b>	<b>207,593,665</b>	<b>343,036,876</b>	
<b>19.01</b>	<b>The company has been forming working capital from its scheduled bank. Interest rates underlying all obligations under these borrowings are fixed at respective contract dates.</b>			
<b>19.02</b>	<b>Finance lease liabilities:</b>			
	Not later than one year	117,648,570	191,111,799	
	Later than one year but not later than five years	285,451,682	377,332,349	
	Later than five years	-	-	
		<b>403,100,252</b>	<b>568,444,148</b>	
	Less: Future finance charge	(46,654,754)	(77,593,664)	
	<b>Present value of minimum lease payments</b>	<b>356,445,498</b>	<b>490,850,484</b>	
	<b>Included in the financial statements as:</b>			
	current borrowings	148,851,833	147,813,607	
	non-current borrowings	207,593,665	343,036,877	
	<b>Total</b>	<b>356,445,498</b>	<b>490,850,484</b>	
<b>20.00</b>	<b>DEFERRED TAX (ASSETS) / LIABILITIES</b>			
	Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes. The following is the analysis of deferred tax (assets)/liabilities presented in the statement of financial position:			
	<b>Opening balance</b>	<b>1,189,125,397</b>	<b>1,076,753,353</b>	
	<b>Provided during the year:</b>	<b>(5,455,550)</b>	<b>112,372,044</b>	
	Deferred tax income	(171,530,158)	-	
	Deferred tax expense	262,461,210	112,372,044	
	Deferred tax income resulting from reduction in income tax rate	(96,386,602)	-	
	Adjustment made during the year	-	-	
	<b>Closing balance</b>	<b>1,183,669,847</b>	<b>1,189,125,397</b>	
<b>20.01</b>	<b>Temporary timing difference:</b>			
	<b>As at June 30, 2021</b>	<b>Accounting base Carrying Amount</b>	<b>Tax base</b>	<b>Temporary Difference</b>
	Property, Plant and equipment	14,514,399,271	(8,634,050,296)	5,880,348,975
	Right-of-use assets	27,166,916	(27,014,107)	152,809
	Intangible assets	150,790,856	(111,704,473)	39,086,383
	Pre-operating expenses	-	(53,999,288)	(53,999,288)
	Unused tax loss carry forward	-	(1,602,569,219)	(1,602,569,219)
	Difference for vehicle	-	(3,417,563)	(3,417,563)
	<b>Net taxable temporary difference</b>	<b>14,692,357,043</b>	<b>(10,432,754,946)</b>	<b>4,259,602,098</b>
	Applicable tax rate			22.50%
	<b>Deferred tax liability-30 June 2021</b>			<b>958,410,472</b>
	Deferred tax liability-30 June 2020			(963,866,022)
	Adjustment to opening deferred tax liability resulting from reduction in tax rate @ 2.50%			96,386,602
	<b>Deferred tax expense/ (income) for the year</b>			<b>90,931,052</b>



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>Less: 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>

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

Year	Particulars	Opening balance	Recognized in profit & loss	Recognized in Other Comprehensive Income	Closing balance
30-Jun-21	Property, plant & equipment	1,180,493,096	142,585,422	-	1,323,078,518
	Difference for vehicle*	(1,067,989)	299,037	-	(768,952)
	Intangible assets	8,666,290	128,146	-	8,794,437
	Pre-operating expenses	(14,210,338)	2,060,499	-	(12,149,839)
	Unused tax loss	(211,865,385)	(169,899,228)	-	(381,764,613)
	Right-of-use assets	1,850,347	(1,630,930)	-	219,417
	Revaluation	225,259,375	-	-	225,259,375
	<b>Total</b>	<b>1,189,125,396</b>	<b>(26,457,054)</b>	<b>-</b>	<b>1,162,668,343</b>
30-Jun-20	Property, plant & equipment	936,060,415	244,432,681	-	1,180,493,096
	Difference for vehicle	(1,334,986)	266,997	-	(1,067,989)
	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>

## 20.03 Difference for vehicle

This represents the permanent difference related to sedan cars, not plying for hire, owned by Bashundhara Paper Mills Limited. As per the provisions 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.

		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>21.00</b>	<b>LONG TERM BORROWINGS-CURRENT PORTION</b>		
	Bank loan	2,008,018,551	1,826,519,851
	Finance Lease obligation	148,851,833	147,813,607
	<b>Total</b>	<b>2,156,870,384</b>	<b>1,974,333,458</b>
<b>21.01</b>	<b>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".</b>		
<b>22.00</b>	<b>SHORT TERM BORROWINGS</b>		
	Short term borrowings	2,634,775,834	3,126,622,375
	<b>Total</b>	<b>2,634,775,834</b>	<b>3,126,622,375</b>
<b>22.01</b>	<b>The details of bank loan arrangement is enumerated below:</b>		

Limit in Crore

Type of loan	Limit	Purpose	Security
Overdraft	1,597.50	1. Importation of raw materials and spare parts. 2. To retire import documents. 3. To meet working capital requirements.	1. 718.4224 decimal plant land at Sonargaon, Narayanganj . 2. 5,319.54 decimal land at Bashundhara Baridhara Project. 3. 1,195.69 decimal of land at Bashundhara Riverview project. 4. 1,48,556.27sft. Floor space at Bashundhara City Development Ltd. 5. Project plant & machineries.
Demand/ Force loan/ UPAS/ LC/ ABP	188.78		
LTR	1,810.00		

23.00	TRADE AND OTHER PAYABLES			
	Trade Payable	NOTE 23.01	472,184,455	726,395,237
	Other Payable	NOTE 23.02	672,679,684	849,862,711
	Total		1,144,864,139	1,576,257,948
23.01	Trade Payables			
	Unit - 1		286,461,028	292,394,337
	Unit - 2		40,462,574	67,774,721
	Unit - 3		145,260,853	366,226,178
	Total		472,184,455	726,395,237
23.1.1	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.			
23.1.2	The carrying values of trade payables are considered to be a reasonable approximation of fair value.			
23.02	Other Payable			
	Payable for advertisement		70,556,295	70,312,207
	Payable for C & F bill		28,522,964	26,104,464
	Payable for consultancy		367,500	367,500

Amount in Taka		
	30-Jun-21	30-Jun-20
Payable for director remuneration	7,000,000	1,435,909
Payable for expenses	42,754,722	10,113,457
Payable for insurance premium	1,400,174	4,343,295
Payable for motor vehicle	3,878,199	840,036
Payable for office rent	1,697,000	1,843,250
Payable for provident fund	5,073,220	3,443,108
Payable for tax & VAT at source	1,300,189	12,786,804
Payable for VAT	19,125,711	7,008,501
Payable for transportation	407,905	331,751
Payable for workers' profit participation & welfare fund	70,068,580	74,805,337
Payable to carrying contractor	80,115,999	46,032,558
Payable to contractors	3,862,901	3,862,901
Payable for Electric bill	2,184,375	1,159,755
Payable for Gas bill	171,815,088	119,572,025
Payable for Labor & wages	25,685,354	33,492,684
Payable for Salary and allowances	128,375,561	124,617,556
Dividend Account-Unclaimed Portion	3,516,280	302,374,119
Unclaimed Subscription	271,667	315,494
Security deposit dealer/ distributor	4,700,000	4,700,000
<b>Total</b>	<b>672,679,684</b>	<b>849,862,711</b>

**23.2.1 All accrued expenses are paid on regular basis.**

**23.2.2 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.**

**23.2.3 Salary and allowances for the month of June 2021 has been paid in subsequent month.**

**23.2.4 All the utility bills like gas, electricity and others for the month of June 2021 has been paid to the subsequent month.**

#### **24.00 PROVISION FOR EXPENSES**

Audit fees	273,913	270,000
Other expense	49,874,767	109,808,848
Gas bill	1,595,082	-
<b>Total</b>	<b>51,743,762</b>	<b>110,078,848</b>

#### **25.00 INCOME TAX PROVISION**

<b>Opening balance</b>	<b>316,511,236</b>	<b>265,231,842</b>
Add: Current tax expense in respect of the current year	55,701,700	51,279,394
Less: Adjustment made during the year	(198,996,311)	-
<b>Closing balance</b>	<b>173,216,625</b>	<b>316,511,236</b>

#### **25.01 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
	2017-2018	198,996,311	141,698,068	(57,298,243)	149,775,463	198,996,311
<b>Total</b>		<b>198,996,311</b>	<b>141,698,068</b>	<b>(57,298,243)</b>	<b>149,775,463</b>	<b>198,996,311</b>

**25.02 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
2019-2020	2020-2021	83(2)	Assessment is underway	1,216,304	316,511,236
2018-2019	2019-2020	83(2)/156	Assessment is underway	5,974,684	265,231,842

			Amount in Taka	
			30-Jun-21	30-Jun-20
<b>26.00</b>	<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>			
Gross Sales		8,882,946,587		8,283,211,263
VAT		(584,462,666)		(448,713,657)
SD		(27,643,490)		(28,307,975)
<b>Sales Local</b>		<b>8,270,840,431</b>		<b>7,806,189,631</b>
Sales Export		1,012,016,638		738,273,857
<b>Total</b>		<b>9,282,857,069</b>		<b>8,544,463,487</b>

**26.01 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, 2021 excluding VAT:

Products	UNIT-1	UNIT-2	UNIT-3	Total
Paper product	2,256,647,855	607,056,394	895,082,537	3,758,786,786
Tissue product	309,503,880	-	2,985,625,388	3,295,129,268
Paper Sack product	71,979,761	-	-	71,979,761
Hygiene product	36,535,732	-	1,720,515,040	1,757,050,772
<b>Local Sales</b>	<b>2,674,667,227</b>	<b>607,056,394</b>	<b>5,601,222,966</b>	<b>8,882,946,587</b>
Export Sales	801,444,636	-	210,572,002	1,012,016,638
<b>Total</b>	<b>3,476,111,863</b>	<b>607,056,394</b>	<b>5,811,794,968</b>	<b>9,894,963,225</b>

		In USD (\$)		In BDT	
		30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
26.02	Revenue from export				
	Paper product	2,188,493	1,676,382	185,803,045	142,241,013
	Tissue paper product	9,731,280	7,010,298	826,185,706	594,823,800
	Hygiene product	328	14,249	27,887	1,209,043
	Total	11,920,102	8,700,929	1,012,016,638	738,273,857

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.

		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>27.00</b>	<b>COST OF SALES</b>		
	Opening stock of finished goods	1,205,490,807	1,404,133,797
	Add: Cost of goods manufactured	NOTE 27.01	7,269,501,228
	<b>Cost of goods available for sale</b>	<b>8,474,992,035</b>	<b>7,872,368,678</b>
	Less: Closing stock of finished goods	(1,114,965,573)	(1,205,490,807)
	<b>Cost of Sales</b>	<b>7,360,026,462</b>	<b>6,666,877,871</b>
<b>27.01</b>	<b>Cost of goods manufactured</b>		
	<b>Material Consumption</b>	<b>4,941,642,423</b>	<b>3,721,043,685</b>
	Opening stock	3,806,453,628	2,749,515,772
	Add: Purchase during the year	5,122,729,522	4,777,981,541
	Less: Closing stock	(3,987,540,727)	(3,806,453,628)
	<b>Factory overhead</b>	<b>2,599,959,486</b>	<b>2,679,846,912</b>
	Salary and allowances	694,224,280	658,279,302
	Gas bill	669,227,768	714,155,879
	Electricity bill	22,458,698	15,519,838
	Labour and wages	136,043,755	161,581,186
	Repair and maintenance	110,715,324	147,852,101
	Other direct expenses	NOTE: 27.1.1	50,024,381
	Depreciation	Annex.-A	932,434,226
	<b>Add: Opening work in process</b>	<b>1,182,430,157</b>	<b>1,249,774,443</b>
	<b>Less: Closing work in process</b>	<b>(1,454,530,838)</b>	<b>(1,182,430,158)</b>
	<b>Total</b>	<b>7,269,501,228</b>	<b>6,468,234,882</b>
<b>27.1.1</b>	<b>Other direct expenses</b>		
	Carriage inwards	1,419,338	1,971,496
	Conveyance	577,113	770,990
	Entertainment	1,222,974	1,962,417
	License, renewal and registration	4,219,072	2,217,803
	Office expense	2,815,014	1,567,794
	Office repair & maintenance	316,477	344,700
	Oil, fuel, CNG & lubricant	16,828,519	29,690,102
	Company's contribution to PF	9,837,514	5,678,672
	Postage, telephone and fax	2,182,139	2,007,469
	Rent, rates & taxes	1,451,350	2,591,255
	Stationery	54,833	104,812
	Utility bill	864,210	1,116,870
	<b>Total</b>	<b>41,788,552</b>	<b>50,024,381</b>

## 27.02 Analysis of materials consumed

Category	Unit	Quantity		Value	
		30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
Raw materials	MT	98,517	104,915	4,095,774,572	3,179,754,801
Chemicals	MT	4,162	4,456	718,119,936	487,802,439
Packing materials	Various	-	-	127,747,915	53,486,444
<b>Total</b>		<b>102,679</b>	<b>109,371</b>	<b>4,941,642,423</b>	<b>3,721,043,685</b>

**27.03 Quantitative details of raw materials**

Description	Unit	Opening Stock	Purchase	Consumption	Closing Stock
30-Jun-21					
Raw materials	MT	19,192	99,092	98,517	19,767
Chemicals	MT	5,369	2,976	4,162	4,184
Description	Unit	Opening Stock	Purchase	Consumption	Closing Stock
30-Jun-20					
Raw materials	MT	37,424	86,682	104,915	19,192
Chemicals	MT	4,048	5,777	4,456	5,369

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

**27.04 Quantitative details of finished goods**

Description	Unit	Opening Stock	Production	Sales	Closing Stock
30-Jun-21					
White writing & printing	MT	2,143.26	18,914.52	19,805.74	1,252.04
Bidi paper	MT	79.95	1,063.60	1,142.95	0.60
BBS	MT	891.43	3,098.68	3,564.59	425.52
Coated paper	MT	87.59	4,936.61	4,971.65	52.55
Newsprint	MT	85.40	12,010.74	11,959.74	136.40
Carbon less coating paper	MT	77.66	2,591.64	2,539.52	129.78
Glassine paper/Color/Ledger	MT	123.10	-	7.58	115.52
Liner Paper	MT	498.97	142.98	641.96	-
White Liner Paper	MT	12.37	-	0.30	12.07
Packaging Paper	MT	307.67	3,163.03	3,059.17	411.53
Simplex Paper	MT	-	0.05	0.05	-
Sludge Board	MT		132.00	132.00	-
Paper Sack	MT	8.50	597.07	592.40	13.17
Tissue product	MT	1,547	30,629	30,860	1,316.15
Monalisa Sanitary Napkin	KG	32,820	123,270	130,112	25,978
Tooth pick, cotton buds, straw etc	PKT	6,007	228,317	233,123	1,201
Baby Diaper	KG	28,407	204,438	182,737	50,108
Baby Diaper loose	KG	5,374	30,726	28,727	7,373
Baby Diapant	KG	364,590	2,804,767	2,808,471	360,886
Baby wet wipes	KG	38,095	481,062	497,797	21,360
Wet Tissue	PKT	10,000	-	5,000	5,000
Hand Gloves	PKT	10,502	-	-	10,502
Feeding Bottle	PKT	57,412	1,539,547	1,513,155	83,804
Xtreme Mosquito Coil	PCS	104,921	7,086,532	6,946,211	245,242

Description	Unit	Opening Stock	Production	Sales	Closing Stock
30-Jun-20					
White writing & printing	MT	4,246.47	18,299.12	20,402.34	2,143.26
Bidi paper	MT	10.59	1,425.83	1,356.47	79.95
BBS	MT	843.61	5,455.56	5,407.74	891.43
Coated paper	MT	553.50	6,952.83	7,418.74	87.59
Newsprint	MT	161.59	25,569.17	25,645.35	85.40
Carbon less coating paper	MT	111.64	2,576.68	2,610.66	77.66
Glassine paper/Color/Ledger	MT	135.87	-	12.77	123.10
Liner Paper	MT	57.65	2,212.63	1,771.31	498.97
White Liner Paper	MT	27.33	36.74	51.70	12.37
Packaging Paper	MT	32.08	3,391.11	3,115.52	307.67
Simplex Paper	MT	-	0.05	0.05	-
Sludge Board	MT		206.00	206.00	-
Duplex Board	MT	31.76	55.91	87.67	-
Paper Sack	KG	91.00	543.02	543.16	90.85
Tissue product	MT	1,283.95	30,793.55	30,530.94	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

Amount in Taka		
	30-Jun-21	30-Jun-20
<b>28.00 OTHER INCOME</b>		
Scrap sales & other recoveries	-	40,062
Cash Incentive	66,641,712	71,647,281
Other Income	200,000	764,072
Interest income	759,576	2,062,165
<b>Total</b>	<b>67,601,288</b>	<b>74,513,580</b>



		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>29.00</b>	<b>ADMINISTRATIVE EXPENSES</b>		
	Audit fee	453,500	437,000
	Credit Ratings Fees	322,500	322,500
	Salaries and allowances	191,913,943	185,407,767
	Director remuneration	36,000,000	17,500,000
	Entertainment	3,254,935	3,042,105
	Insurance premium	16,530,551	19,464,249
	Advisory, legal and consultancy	54,656	61,061
	License, renewal and registration	2,264,019	3,242,192
	Corporate and Social responsibility expenses	8,108,407	14,214,266
	Rent and rates	7,837,118	9,334,350
	Office repair and maintenance	8,260,985	7,952,457
	IT & computer expense	970,765	312,121
	Annual General Meeting expense	1,204,687	1,510,377
	Incidental loss of assets destroyed by fire	-	5,382,147
	Postage, telegram and fax	527,941	1,129,886
	Company's contribution to PF	5,584,355	7,371,646
	Stationery	892,579	1,189,534
	Telecommunication expense	6,880,740	6,460,723
	Travelling and Conveyance	2,770,435	2,268,672
	Utilities	7,356,431	6,865,230
	Vehicle running and maintenance	3,991,843	3,773,601
	Vehicle oil, fuel & lubricant	6,273,468	5,933,283
	Depreciation Annexure A & C	48,710,585	49,075,486
	Amortisation of intangible assets Annexure B	8,003,735	8,003,735
	<b>Total</b>	<b>368,168,177</b>	<b>360,254,388</b>

**29.01 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	36,000,000	10,800,000	25,200,000
<b>Total</b>		<b>36,000,000</b>	<b>10,800,000</b>	<b>25,200,000</b>

**29.1.1 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:

Particulars	30-Jun-21	30-Jun-20
Directors Remuneration	-	-
Managing Director Remuneration	25,200,000	12,250,000
Board Meeting fee	-	-
<b>Total</b>	<b>25,200,000</b>	<b>12,250,000</b>

		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>30.00</b>	<b>SELLING AND DISTRIBUTION EXPENSES</b>		
	Salaries and allowances	160,850,639	158,955,678
	Advertisement	12,624,856	13,157,411
	Carriage outwards	8,570,666	10,962,037
	Company's contribution to PF	125,900	114,000
	Foreign Exchange gain/ loss	1,128,103	1,217,458
	Commission on sales	13,142,246	10,702,385
	Other Selling and distribution expenses	-	97,695
	Conveyance	556,630	757,548
	<b>Total</b>	<b>196,999,041</b>	<b>195,964,212</b>
<b>31.00</b>	<b>FINANCE COSTS</b>		
	Interest on bank overdrafts and loans	937,284,789	891,039,729
	Bank charges and commission	7,400,395	8,023,610
	Interest on obligations under finance lease	55,171,060	23,671,812
	<b>Total financial expense</b>	<b>999,856,244</b>	<b>922,735,151</b>
	Less: Amounts included in the cost of qualifying assets	-	-
	<b>Total</b>	<b>999,856,244</b>	<b>922,735,151</b>
<b>32.00</b>	<b>INCOME TAX EXPENSE</b>		

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

<b>a. Current tax expense:</b>	<b>(1,596,543)</b>	<b>51,279,394</b>
Current tax expense in respect of the current year	55,701,700	51,279,394
Adjustments recognized in the current year in relation to the current tax of prior year's	(57,298,243)	-
<b>b. Deferred tax expense/ (income):</b>	<b>(5,455,550)</b>	<b>112,372,044</b>
Deferred tax expenses recognized in the year	90,931,052	112,372,044
Adjustments to deferred tax attributable to changes in tax rates and laws	(96,386,602)	-
<b>c. Total income tax expense recognized in the current year (a+b)</b>	<b>(7,052,093)</b>	<b>163,651,438</b>

**32.01 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	404,138,012	449,488,173
Less: Share of profit of equity	-	-
	<b>404,138,012</b>	<b>449,488,173</b>
Tax on accounting profits @ 22.5% ( 2019-2020 @ 25%)	90,931,053	112,372,043
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	55,701,700	51,279,394
Effect of unused tax losses and tax offsets not recognized as deferred tax assets	-	-

		Amount in Taka	
		30-Jun-21	30-Jun-20
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		(96,386,602)	-
Effect of unused tax credits		-	-
		<b>50,246,150</b>	<b>163,651,438</b>
Adjustments recognized in the current year in relation to the current tax of prior years		(57,298,243)	-
<b>Income tax expense recognized in profit or loss</b>		<b>(7,052,093)</b>	<b>163,651,438</b>
<b>33.00 EARNINGS PER SHARE (EPS)</b>			
<b>33.01 Basic Earnings per Share:</b>			
Profit attributable to the Ordinary Shareholders	411,190,105	285,836,735	
Weighted Average Number of shares	173,791,441	173,791,441	
<b>Basic Earnings Per Share</b>	<b>2.37</b>	<b>1.64</b>	
<b>33.02 Diluted Earnings Per Share:</b>			
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.			
<b>33.03 Weighted average number of ordinary shares</b>			
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.			
<b>33.3.1 Total Number of Ordinary Share outstanding</b>			
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>	
<b>33.04 The calculation of the basic earnings per share is made in accordance with IAS 33: Earnings Per Share, dividing the profit for the year by weighted average number of the shares issued.</b>			
<b>33.05 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.</b>			
<b>34.00 CAPITAL COMMITMENT</b>			
None, except for letter of credit for importation of plant & machinery as shown under contingent liabilities.		-	-
<b>35.00 CONTINGENT LIABILITIES AND CONTINGENT ASSETS</b>			
Contingent Liabilities and assets as on the date of Statement of Financial Position were as under:			
Letter of credit for importation of raw materials.	1,212,008,530	2,235,157,621	
VAT claimed which is under jurisdiction of Hon'ble Supreme Court.	20,752,670	20,752,670	
Claim of income tax against the company.	5,974,684	448,449	

Amount in Taka		
	30-Jun-21	30-Jun-20
Guarantees issued by the Company's scheduled bank to third parties on counter indemnities given by the Company.	183,340,153	185,455,336
Claims against the Company acknowledge as debts.	-	-
<b>Total</b>	<b>1,422,076,036</b>	<b>2,441,814,075</b>
<b>Capital commitment and Contingent liabilities</b>	<b>1,422,076,036</b>	<b>2,441,814,075</b>

### 35.01 L/C ( Sight/UPAS/Deferred) Liabilities

Shahjalal Islami Bank Ltd.	66,603,372	219,704,392
Social Islami Bank Ltd.	9,500,000	9,500,000
Standard Bank Ltd	-	174,307,225
IFIC Bank Ltd.	-	3,910,000
Janata Bank	294,772,645	-
First Security Islami Bank Ltd.	216,930,591	434,581,091
Mercantile Bank Ltd.	-	208,520,000
South East Bank Ltd.	301,755,476	283,867,285
National Bank Ltd.	322,446,446	248,531,860
Trust Bank Ltd.	-	11,625,767
Al-Arafa Islami Bank Ltd.	-	640,610,000
<b>Total</b>	<b>1,212,008,530</b>	<b>2,235,157,621</b>

### 35.02 Bank Guarantee

Social Islami Bank Ltd.	13,312,030	27,707,030
Mercantile Bank Ltd.	300,000	600,000
Southeast Bank Ltd.	137,320,000	136,700,000
Shahjalal Islami Bank Ltd.	32,408,123	20,448,308
<b>Total</b>	<b>183,340,153</b>	<b>185,455,336</b>

**35.03** 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.

### 36.00 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.

### 36.01 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 :

Opening trade and other receivables	1,404,774,156	3,693,325,197
Add: Sales during the year	9,894,963,225	9,021,485,119
Closing trade and other receivables except receivable against cash Incentive	(762,072,987)	(1,367,682,313)
<b>Total</b>	<b>10,537,664,394</b>	<b>11,347,128,003</b>

		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>36.02</b>	<b>Receipts from other income:</b>		
	Other income	67,601,288	74,513,580
	Less: Incentive receivables	(266,089)	(37,091,843)
	<b>Total</b>	<b>67,335,200</b>	<b>37,421,737</b>

**36.03 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	5,122,729,522	4,777,981,541
Administrative expense	368,168,177	360,254,388
Workers' profit participation & welfare fund	21,270,422	23,657,272
Selling & distribution expense	196,999,041	195,964,212
Factory overhead	2,599,959,486	2,679,846,912
Increase/ (decrease) in material in transit	38,311,329	(1,252,339,091)
Increase/ (decrease) in Stores and spare parts	(457,058)	59,730,708
(Increase)/ decrease in trade payables and other payable	434,431,972	718,103,282
(Increase)/ decrease in provision for expense	58,335,086	17,797,045
Increase/ (decrease) in advance, deposit & prepayments	39,209,096	(120,261,719)
Adjustment for non-cash item:		
Amortization of intangible assets	(8,003,735)	(8,003,735)
Depreciation expense	(974,211,694)	(981,509,711)
<b>Total</b>	<b>7,896,741,641</b>	<b>6,471,221,104</b>

**37.00 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, 2021 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	2020-2021	2019-2020
Revenue, net of VAT	9,282,857,069	8,544,463,487
Cost of sales	7,360,026,462	6,666,877,871
<b>Gross Profit</b>	<b>1,922,830,607</b>	<b>1,877,585,616</b>
<b>Assets and Liabilities</b>		
Segment Assets excludes Cash & Cash Equivalents	28,322,412,266	27,263,372,591
Segment Liabilities excludes tax liabilities	20,453,418,820	19,500,825,061

**38.00 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:

**38.01 Loans to/from related parties:**

Name of related Companies	Relationship	Nature of transaction	30-Jun-21	Compensation
East West Property Development (Pvt.) Ltd.	Shareholder & Sister Concern	Long term Loan	(1,026,382,310)	Market Price
East West Media Group Ltd.	Sister Concern	Short term Loan	141,078,846	Market Price
Bashundhara Steel and Engineering Ltd.	Sister Concern	Short term Loan	56,990,293	Market Price
Bashundhara Multi-Paper Industries Ltd.	Sister Concern	Short term Loan	(337,810,558)	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	(1,681,564)	Market Price
Sundarban Industrial Complex Ltd.	Sister Concern	Short term Loan	7,217,465	Market Price
Bashundhara Food & Beverage Industries Ltd.	Sister Concern	Short term Loan	815,831	Market Price
Bashundhara Packaging & Accessories Industries Ltd.	Sister Concern	Short term Loan	1,371,500	Market Price
Bashundhara LP Gas Ltd.	Sister Concern	Short term Loan	(189,475,479)	Market Price
Bashundhara Airways Ltd.	Sister Concern	Short term Loan	167,176,146	Market Price
Bashundhara Amusement Park Ltd.	Sister Concern	Short term Loan	22,897,872	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	112,989,776	Market Price
Bashundhara Chemical Industries Ltd.	Sister Concern	Short term Loan	30,720,000	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	2,222,000	Market Price
Bashundhara Multi Trading Ltd.	Sister Concern	Short term Loan	86,095,772	Market Price
Bashundhara Multi Steel Industries Ltd.	Sister Concern	Short term Loan	21,006,280	Market Price
Toggi Shipping & Logistics Ltd.	Sister Concern	Short term Loan	(150,000,000)	Market Price
Millennium Media Ltd.	Sister Concern	Short term Loan	20,000,000	Market Price

**38.1.1 The movement during the year under review is enumerated below:**

Name of related Companies	Transaction during the year		30-Jun 21	30-Jun-20
	Provided	Adjusted		
East West Property Development (Pvt.) Ltd.	66,905,896	592,296,420	(1,026,382,301)	(500,991,777)
East West Media Group Ltd.	850,500	-	141,078,846	140,228,346
Bashundhara Steel and Engineering Ltd.	-	400,000	56,990,293	57,390,293
Bashundhara Multi-Paper Industries Ltd.	59,419,965	431,919,964	(337,810,558)	34,689,441
Bashundhara Infrastructure Development Ltd.	-	-	3,281,222	3,281,222
Bashundhara Industrial Complex Ltd.	-	-	(164,966,492)	(164,966,492)
Bashundhara Industrial Complex Ltd.	-	-	265,000,000	265,000,000
Bashundhara Cement Industries Ltd.	-	4,200,000	(1,681,564)	2,518,436
Sundarban Industrial Complex Ltd.	2,800,000	2,950,000	7,217,465	7,367,465
Bashundhara Food & Beverage Industries Ltd.	-	3,250,000	815,831	4,065,831

Name of related Companies	Transaction during the year		30-Jun 21	30-Jun-20
	Provided	Adjusted		
Bashundhara Fine Paper Mills Ltd.	-	800,000	-	800,000
Bashundhara Packaging & Accessories Industries Ltd.	-	-	1,371,500	1,371,500
Bashundhara Airways Ltd.	10,682,744	1,178,500	167,176,147	157,671,903
Bashundhara Amusement Park Ltd.	1,700,000	-	22,897,872	21,197,872
Bashundhara LP Gas Ltd.	1,270,887	-	(189,475,479)	(190,746,366)
Meghna Cement Mills Limited	-	-	54,363,621	54,363,621
Bashundhara Industrial Economic Zone	5,240,476	-	112,989,776	107,749,300
Bashundhara Chemical Industries Ltd.	38,400,000	-	30,720,000	(7,680,000)
Toggi Services Ltd.	-	-	72,300,000	72,300,000
Toggi Real Estate & Construction Ltd.	972,000	-	2,222,000	1,250,000
Bashundhara Multi Trading Ltd.	210,267,523	118,928,610	86,095,763	(5,243,150)
Bashundhara Multi Steel Industries Ltd.	31,706,280	10,700,000	21,006,280	-
Toggi Shipping & Logistics Ltd.	100,000,000	250,000,000	(150,000,000)	-
Millennium Media Ltd.	20,023,590	23,590	20,000,000	-

### 38.02 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-21	30-Jun-20
East West Property Development Ltd.	Shareholder/ Sister Concern	Trade payable/ receivable	19,503,639	15,134,491
Bashundhara Airways Ltd.	Sister Concern	Do	6,409,736	45,605
Bashundhara Amusement park Ltd.	Sister Concern	Do	7,141,204	5,950,585
Bashundhara LP Gas Ltd.	Sister Concern	Do	(3,173,712)	(56,238,800)
Bashundhara Logistics Ltd.	Sister Concern	Do	1,281,536	801,596
Bashundhara Oil & Gas Company Ltd.	Sister Concern	Do	300,812	302,314
Bashundhara Steel and Engineering Ltd.	Sister Concern	Do	117,738	66,738
Bashundhara Multi-Paper Industries Ltd.	Sister Concern	Do	153,884,277	(177,579,770)
East West Media Group Ltd.	Sister Concern	Do	(532,029)	(144,250,553)
Sundarban Industrial Complex Ltd.	Sister Concern	Do	(92,866)	921,002
Meghna Cement Mills Ltd.	Sister Concern	Do	8,651,204	11,918,565
Bashundhara Cement Industries Ltd.	Sister Concern	Do	411,600	411,600
International Convention City Bashundhara	Sister Concern	Do	1,395,860	(1,330,084)
Bashundhara Food & Beverage Industries Ltd.	Sister Concern	Do	7,918,095	12,222,106
Bashundhara Infrastructure Development Ltd.	Sister Concern	Do	826,181	615,957
Toggi Services Ltd.	Sister Concern	Do	(154,789)	-
Bashundhara Industrial Complex Ltd.	Sister Concern	Do	226,463,603	709,901,906



Name of related Companies	Relationship	Nature of transaction	30-Jun-21	30-Jun-20
Bashundhara Multi Food Industries Ltd.	Sister Concern	Do	5,298,047	988,363
Toggi Services Ltd.	Sister Concern	Do	(91,553)	-
Bashundhara Technologies Ltd.	Sister Concern	Do	14,000	14,000
Bashundhara Industrial Economic Zone	Sister Concern	Do	(559,164)	(910,678)
Bashundhara Chemical Industries Ltd.	Sister Concern	Do	1,807,718	3,000
Toggi Services Ltd.	Sister Concern	Do	72,936	(757,678)
Bashundhara Multi Trading Ltd.	Sister Concern	Do	1,040,832	1,733,961
Bashundhara Multi Steel Industries Ltd.	Sister Concern	Do	2,000	-
Toggi Shipping & Logistics Ltd.	Sister Concern	Do	2,000	-
Millennium Media Ltd.	Sister Concern	Do	187,007	-
Bashundhara Prefabricated Building Manufacturing Industries Ltd.	Sister Concern	Do	1,120,749	-

Amount in Taka				
			30-Jun-21	30-Jun-20

**38.03 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:-**

Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	36,000,000	17,500,000
Expenses reimbursed to Managing Agent	-	-
Commission or Remuneration payable separately to a managing agent or his associate	-	-
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.	-	-
Other allowances and commission including guarantee commission Pensions etc.	-	-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii) Payments from a provident funds, subscription and interest thereon	-	-
(iv) Share Based payments	-	-

**38.04 Compensation of key management personnel during the year as follows:**

Short-term benefits	36,000,000	17,500,000
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-

		Amount in Taka	
		30-Jun-21	30-Jun-20
		36,000,000	17,500,000
<b>38.05</b>	<b>Disclosure requirements of IAS 24, Para 18 minimum disclosure shall include</b>		
a) The amount of transaction		36,000,000	17,500,000
b) The amount of outstanding balance, including commitments, and:		(768,789,779)	79,117,444
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	Remuneration, Working Capital Management
ii) details of any guarantee given or received	Nil	Nil	Nil
c) Provisions for doubtful debts related to the amount of outstanding balances; and	Nil	Nil	Nil
d) The expenses recognized during the period in respect of bad or doubtful debts due from related parties	Nil	Nil	Nil
<b>38.06</b>	<b>Aggregated amount of Remuneration, Fess, Salary &amp; Wages of employees are given below:</b>		
Directors Remuneration	36,000,000	17,500,000	
Board Meeting Attendance Fees	-	-	
Wages & Allowance	136,043,755	161,581,186	
Salary & Allowance	1,046,988,861	1,002,642,747	
<b>Total</b>	<b>1,219,032,616</b>	<b>1,181,723,933</b>	
<b>38.07</b>	<b>Transactions with related parties were carried out on commercial terms and conditions and at prices agreed based on intercompany prices.</b>		
<b>38.08</b>	<b>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.</b>		
<b>38.09</b>	<b>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.</b>		
<b>39.00</b>	<b>EMPLOYEES</b>		
Number of employees whose salary below Tk 3,000 per month	-	-	
Number of employees whose salary above Tk 3,000 per month	3,633	3,954	
<b>Total</b>	<b>3,633</b>	<b>3,954</b>	
<b>40.00</b>	<b>PRODUCTION CAPACITY &amp; UTILIZATION</b>		

Machine production capacity and its utilization as on June 30, 2021 is as follows:

Product	Measure Unit	Annual Capacity	Actual Production	Capacity utilized
Paper & Tissue	MT	133,750	71,999	54%
Paper Section-Value addition	MT	34,308	22,500	66%
Sack Bag	MT	10,809	444	4.1%
Sludge Board	MT	1,667	206	12%
Monalisa Sanitary Napkin	KG	1,550,016	123,270	8%
Baby Diaper	KG	1,509,581	235,165	16%
Baby Diapant	KG	3,265,920	2,804,767	86%
Wet Tissue	PKT	6,739,200	-	0%
Wet Wipes	KG	1,213,056	481,062	40%

		Amount in Taka	
		30-Jun-21	30-Jun-20
<b>41.00</b>	<b>NET ASSET VALUE (NAV) PER SHARE</b>		
	Total Assets	28,738,810,419	27,544,362,833
	<b>Less:</b> Intangible Assets	(150,790,856)	(158,794,592)
	Total Liabilities	(20,626,635,445)	(19,817,336,297)
	<b>Net Asset Value (NAV)</b>	<b>7,961,384,118</b>	<b>7,568,231,944</b>
	Weighted Average Number of Ordinary shares outstanding during the period	173,791,441	173,791,441
	<b>Net Asset Value (NAV) Per Share (per value Tk. 10 each)</b>	<b>45.81</b>	<b>43.55</b>
<b>42.00</b>	<b>NET OPERATING CASH FLOW (NOCFPS) PER SHARE</b>		
	Net Operating Cash Flows	1,994,866,221	4,319,021,031
	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>11.48</b>	<b>24.85</b>
<b>43.00</b>	<b>RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT</b>		
	Total Comprehensive Income for the year	411,190,105	285,836,735
	<b>Adjustment for:</b>		
	Income tax expense recognized in profit and loss	(7,052,093)	163,651,438
	Workers' profit participation & welfare fund	21,270,422	23,657,272
	Amortization of intangible assets	8,003,735	8,003,735
	Depreciation of non-current assets	974,211,694	981,509,711
		<b>1,407,623,863</b>	<b>1,462,658,892</b>
	<b>Adjustment for separate consideration</b>		
	Finance cost recognized in profit and loss	992,455,849	914,711,541
	<b>Movements in working capital:</b>		
	(Increase)/decrease in inventories	(400,516,815)	401,657,800
	(Increase)/decrease in trade and other receivables	642,435,081	2,288,551,041
	(Increase)/decrease in advance, deposit and prepayment	(39,209,096)	120,261,719
	Increase/(decrease) in trade payables & other payables	(455,702,394)	(741,760,555)
	Increase/(decrease) in provision for expense	(58,335,086)	(17,797,045)
	<b>Cash generated from operations</b>	<b>(311,328,311)</b>	<b>2,050,912,961</b>
	Income taxes paid	(93,885,180)	(109,262,362)
	<b>Net cash (used in)/ generated by operating activities</b>	<b>1,994,866,221</b>	<b>4,319,021,031</b>

#### 44.00 SIGNIFICANT DEVIATIONS

The consumption and the economic activities has been deteriorated due to the impact of COVID-19. The influence is too profound to predict when the pandemic wanes or how the price trends of raw materials fluctuate or when the demands in our products recover. Regarding the 2nd wave of corona virus, we are facing huge impact on all kinds of Paper and Paper allied products business locally and internationally. The year 2020-2021 has been marked by challenging harvesting conditions, decrease in sales price due to the Covid-19 pandemic. Lower prices and volumes during the year had a negative impact on sales and operational EBIT, compared to the last year. Nevertheless, we have faced some logistical challenges and a major shutdown of operations all over the world due to COVID-19. From the very beginning we experienced a significant reduction of orders due to the lockdown condition, demand of the certain products have been decreasing. Schools, offices, retailers and other business sectors locally and abroad are closed. Majority of products do not have any demand as they are largely used in School, College, Universities and Corporate Offices.

**Earnings per share (EPS):**

Net profit before tax decreased same period of previous year. Decline in profit is driven by slashing the sales rate as result of lower sales volume, impact of COVID-19 pandemic, decrease in production volume, increase in utility costs and other fixed overhead costs, bank interest. But profit after tax as well as EPS increased due to adjustments recognized in the current year in relation to the current tax of prior year's

**“Net Operating cash flow per share (NOCFPS):**

Net Operating cash flow per share decreased from same period previous year because of increase in value of imported raw materials.

**45.00 DIRECTOR'S RESPONSIBILITY ON STATEMENT**

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

**46.00 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.

**47.00 RECEIVABLE FROM DIRECTORS**

No amount is lying as receivable from the Directors.

**48.00 FOREIGN REMITTANCES**

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

**49.00 EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors in its meeting held on 07 November 2021 approved the financial statements of the company for the year ended 30 June 2021 and authorised the same for issue. The Board of Directors also recommended cash dividend @ 12% for for the year ended June 30, 2021 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

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.

**50.00 STATUS OF INCOME TAX ASSESSMENT**

From the inception of the Company to the income Year 2017-2018 (Assessment year 2018-2019) 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
2019-2020	2020-2021	1,216,304	83(2)	The DCT has completed the assessment on 16 March 2021 against which the Company filled an appeal to the Commissioner of Taxes Appeals (CAT)
2018-2019	2019-2020	5,974,684	83(2)/156	The Learned Commissioner Taxes (Appeal) has completed the assessment on 13 June 2021 against which the Company further filled an appeal to the Appellate Tribunal (AT).

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## 51.00 IMPACT OF COVID19 AND GOING CONCERN BASIS OF ACCOUNTING

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A pandemic is unpredictable in nature and has the potential to affect our people, markets and operations in various ways. The pervasive impact of a pandemic means that it has the potential to affect various of our strategic, financial, operational and compliance risks in the long-term depending on how it evolves.

In the mid of March 2021, 2nd wave of COVID-19 emerged and has subsequently spread in Bangladesh and all over the world. The World Health Organization has declared COVID-19 a pandemic resulting in governments offices, Service Providers and private and public entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. After close monitoring and responses and guidance from governments, in an effort to mitigate the spread of COVID-19, the Company has closed its production due to lockdown at Narayanganj and its distribution centers and its offices with associates working remotely where possible. The Company continues to monitor developments, including government requirements and recommendations at the national, state, and local level to evaluate possible extensions to all or part of such closures.

As a consequence of COVID-19, the Company may experience material and labour shortages, supply chain or operational interruptions, higher input costs and changes in demand for its products. As a result, that have a material adverse effect on the Company's business. In addition, we have taken several steps to further strengthen our financial position, and maintain financial liquidity and flexibility, including, reviewing operating expenses, evaluating raw materials purchases, reducing capital expenditures etc. Going into the year 2020-2021, heightened uncertainties remain. Pricing across our key paper products is reduce. Demand for tissue and hygiene products remains robust.

The Board of Directors have reviewed the Company's current financial position and performance, including consideration of the anticipated impact of the COVID-19 pandemic and the other principal risks which may impact the Company's performance in the near term. They are confident that the Company will continue to demonstrate its resilience and remaining well-positioned when the recovery takes place.

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 18, 19 and 22 respectively.

The Companies retained earning stand at Tk. 2,581,504,792 as on June 30, 2021 which includes Tk.411,190,105 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.

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## 52.00 FINANCIAL RISK MANAGEMENT

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### 52.01 Basis of fair value measurement

As fair value is a market - based measurement, when measuring the fair value of an asset or a 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.

**52.02 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.

Note		Carrying amount					Fair value			
		Reconciliation of carrying amount		Total			Total			
30 June 2021:										
Financial assets measured at fair value										
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value										
Trade receivables and Other receivables		10	-	-	-	766,820,718	-	-	766,820,718	-
Advances, deposits and prepayments		11	-	-	-	750,153,312	-	-	750,153,312	-
Cash and cash equivalents		13	-	-	-	416,398,153	-	-	416,398,153	-
		-	-	-	-	1,933,372,183	-	-	1,933,372,183	-
Financial liabilities measured at fair value										
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value										
Long term borrowings-current portion		21	-	-	-	-	-	2,156,870,384	-	-
Short term borrowings		22	-	-	-	-	-	2,634,775,834	-	-
Trade and other payables		23	-	-	-	-	-	1,144,864,139	-	-
		-	-	-	-	-	-	5,936,510,357	-	-
30 June 2020:										
Financial assets measured at fair value										
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value										
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	-
		-	-	-	-	2,394,719,562	-	-	2,394,719,562	-
Financial liabilities measured at fair value										
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value										
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	-	-
		-	-	-	-	-	-	6,677,213,781	-	-

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.

## 52.03 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.

### 52.3.1 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:

	Amount in Taka	
	30-Jun-21	30-Jun-20
a) Exposure to credit risk:		
Trade receivables		
Local customer	514,783,337	1,118,353,518
Foreign customer	139,841,397	44,542,978
Advance, deposit and prepayments	750,153,312	708,955,164
Due/ (payable) from/to inter companies	(1,069,789,779)	(203,382,557)
Cash and bank balances	416,398,153	280,990,242



Amount in Taka		
	30-Jun-21	30-Jun-20
The maximum exposure to credit risk for accounts receivable by geographic regions was:		
Bangladesh	514,783,337	1,118,353,518
Asia	101,620,002	46,288,147
Europe	33,406,689	211,500
Australia	(1,223,164)	12,909
Africa	5,981,715	1,394,035
North America	56,154	(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	323,270,427	470,365,601
90-180 days past due	229,706,061	473,314,754
above 180 days past due	101,648,247	219,216,141
	<b>654,624,734</b>	<b>1,162,896,496</b>

**c) Credit exposure by credit rating:**

Trade receivables	654,624,734	1,162,896,496
Advance, deposit and prepayments	750,153,312	708,955,164
Other receivables	112,195,985	241,877,660

**Cash and Bank balances:**

Cash in hand	24,271,502	29,636,725
Bkash Account	16,060	12,000

**Cash at bank:**

Bank name & branch	Account No.	392,110,591	251,341,517
Agrani Bank Ltd., Principal Branch, Dhaka	CD: 11217-8	20,505	-
Al-Arafa Islami Bank Ltd., Motijheel Branch, Dhaka	CD-3059	11,993	12,683
Bank Asia Ltd., Bashundhara Branch	CD: 404, 568, 569	132,975,859	92,574,973
Bank Asia Ltd., Bashundhara Branch	SND: 0135	3,585,718	2,628,651
Bank Asia Ltd., Principal Branch	CD: 00333005904	166,569	290,949
Basic Bank Ltd., Bashundhara Br.	STD: 057	237,097	232,082
Basic Bank Ltd.-Main Branch, Dhaka.	CD: 05787	-	5,276
Dutch Bangla Bank Ltd., Bashundhara Branch	SND: 147.120.1895	77,349,851	10,097,221
Dutch Bangla Bank Ltd., Local Office	CD: 10111012348	15,638,366	134,133
First Security Islami Bank Ltd., Banani Branch	CD: 2215	942,918	5,695,083
IFIC Bank Ltd., Kawranbazar Branch	CD: 313926-001	-	14,887,468
Islami Bank Bangladesh Ltd., Head Office Complex Br.	CD: 87816	11,875,051	6,249,739
Janata Bank Ltd., Helatola Branch, Khulna	CD:001039442	3,332	3,332
Janata Bank Ltd., Janata Bhaban Corp. Br.	STD: 004001006	97,370	2,543,559
Janata Bank Ltd., JBCB,Dhaka	CD: 001022542	22,154,617	5,894,419
Janata Bank Ltd., JBCB,Dhaka	FC: 402000464	1,436,689	1,436,689
Mercantile Bank Ltd., Main Branch, Dhaka	CD: 81042	3,951,691	4,144,573
Mutual Trust Bank Ltd., Bashundhara City Br.	CD: 15608,1015, 15617	13,472,617	14,252,702

		Amount in Taka	
Bank name & branch	Account No.	30-Jun-21	30-Jun-20
Mutual Trust Bank Ltd., Sonargoan Branch	CD: 10258,10427, 10294,10267	64,163	163,494
Mutual Trust Bank Ltd., Sonargoan Branch	CD:	12,303	-
National Bank Ltd., Dilkusha Branch	CD: 233137485	8,560,483	2,452,239
National Bank Ltd.-	SND accounts	186,332	198,031
NCC Bank Ltd., Motijheel Branch	CD: 22785	9,388	9,963
The Premier Bank Ltd., Banani Branch	CD: 1604-0	3,565	3,565
The Premier Bank Ltd.-Dilkusha Branch	CD: 019010	3,045	3,735
Prime Bank Ltd. Gulshan Br.	CD: 2118116023883	10,000	10,000
Rupali Bank Ltd.-Local Office, Dhaka.	CD: 0018020010093	126,139	126,634
Shahjalal Islami Bank Ltd., Gulshan Branch	CD: 4061	3,152,742	2,781,207
Sonali Bank Ltd.	SND: 000025	3,773,755	3,543,622
Social Islami Bank Ltd., Bashundhara Branch	CD: 1330000079	15,197,799	7,157,856
Social Islami Bank Ltd., Panthapath Branch	CD: 12885, 16735,16741	38,274,588	13,630,774
Social Islami Bank Ltd., Sonargoan Branch	CD: 64,6459, 6718,6661	2,703,697	2,346,682
Southeast Bank Ltd., Principal Branch, Dhaka	CD: 7935	46,288	15,359,807
Southeast Bank Ltd., Principal Branch, Dhaka	FC: 0462	1,534,628	5,431,121
Southeast Bank Ltd., Principal Branch, Dhaka	DAD Account-588	9,648,700	42
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_BDT_197	10,706	12,165
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_GBP_552	13,504	13,504
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_Euro_774	-	-
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_USD_066	236,367	280,194
Standard Bank Ltd., Principal Branch	CD: 00233009262	15,625	815,704
Standard Bank Ltd., Principal Branch	STD: 00236001976	44,119	44,129
Trust Bank Ltd., Senakallyan Bhaban Branch	CD: 0003- 0210011205	270,690	406,817
Union Bank Ltd., Gulshan Branch	CD: 1623	83,676	84,481
United Commercial Bank Ltd., Bashundhara Br.	STD: 119/198	19,184,127	31,281,067
United Commercial Bank Ltd., Gulshan Branch	CD: 1360	5,023,921	4,101,153

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.

### 52.3.2 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	2020-21	356,445,498	148,851,833	207,593,665	-
Long term bank loan		14,012,129,960	2,008,018,551	12,004,111,409	-
Short term bank loan		4,791,646,218	4,791,646,218	-	-
Trade and other payables		1,144,864,139	1,144,864,139	-	-
Provision for expenses		51,743,762	51,743,762	-	-
Finance Lease	2019-20	490,850,484	147,813,607	343,036,876	-
Long term bank loan		12,804,507,453	1,826,519,851	10,977,987,602	-
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	-	-

### 52.3.3 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:

	Amount in Taka	
	30-Jun-21 (USD)	30-Jun-20 (USD)
<b>Foreign currency monetary assets and liabilities:</b>		
<b>Assets:</b>		
Trade receivables	1,647,131	524,961
Cash at bank	16,922	16,932
<b>Liabilities:</b>		
Trade and other payables	-	-
<b>Net exposure:</b>		
The following significant average exchange rates are applied during the year:		
Exchange rate of US Dollar	\$84.90	\$84.85

**(ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures:**

A strengthening or weakening of the Taka, as indicated below, against the USD at 30 June 2021 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>b) Interest rate risk:</b> 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.	<b>c) Other price risk:</b> 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.
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**53.00 CAPITAL MANAGEMENT**

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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 shareholders, issue new shares or obtain long-term debt.

No changes were made in the objectives, policies or processes for managing capital during the year ended 30 June, 2021.

# BASHUNDHARA PAPER MILLS LIMITED

## Schedule of Property, Plant Equipment

As at 30 June 2021

Annexure-A

PARTICULARS	COST				DEPRECIATION				Written down value
	Opening balance	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	Opening balance	Depreciation	Adjustment/ Disposal	Closing balance
1	2	3	4	5	6=2+3+4+5	7	8	9	10=7+8+9
<b>a) Based on Cost:</b>	<b>18,268,629,413</b>	<b>570,729,723</b>	<b>2,181,170,462</b>	<b>(7,162,607)</b>	<b>21,013,366,991</b>	<b>5,414,030,981</b>	<b>935,621,053</b>	<b>(3,848,358)</b>	<b>6,345,803,677</b>
Land and land development	574,117,543	-	-	-	574,117,543	-	-	-	-
Plant and machinery	12,550,130,963	515,792,591	1,438,228,932	(2,238,117)	14,501,914,370	4,437,119,756	754,226,217	(2,107,560)	5,189,238,413
Office equipment	106,680,058	8,809,719	-	-	115,489,777	58,446,741	10,634,636	-	69,081,377
Furniture and fixture	34,827,156	18,500	-	-	34,845,656	19,407,370	2,223,440	-	21,630,810
Factory apparatus and loose tools	213,716,800	1,811,361	-	-	215,528,161	83,703,189	10,695,058	-	94,398,247
Motor Vehicles	572,924,214	39,104,761	-	-	607,104,485	336,735,316	52,646,546	(1,740,798)	387,641,064
Factory building and other constructions	4,028,714,982	4,672,791	742,941,530	(4,924,490)	4,776,329,303	432,854,323	94,899,568	-	527,753,891
Sundry assets	187,517,697	520,000	-	-	188,037,697	45,764,287	10,295,588	-	56,059,875
<b>b) Based on Revaluation:</b>	<b>2,848,337,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,848,337,977</b>	<b>295,160,343</b>	<b>24,588,537</b>	<b>-</b>	<b>319,748,880</b>
Land and land development	2,107,635,598	-	-	-	2,107,635,598	-	-	-	-
Plant and machinery	115,317,906	-	-	-	115,317,906	94,035,518	9,153,252	-	103,188,770
Office equipment	1,733,807	-	-	-	1,733,807	1,361,670	107,585	-	1,469,255
Furniture and fixture	1,036,791	-	-	-	1,036,791	701,900	55,971	-	757,871
Factory apparatus and loose tools	4,160,493	-	-	-	4,160,493	2,101,572	179,655	-	2,281,227
Motor Vehicles	7,767,090	-	-	-	7,767,090	7,562,855	204,235	-	7,767,090
Building and other constructions	604,376,645	-	-	-	604,376,645	183,533,156	14,634,720	-	198,167,876
Sundry assets	6,309,647	-	-	-	6,309,647	5,863,673	253,118	-	6,116,791
<b>Total (a+b)</b>	<b>21,116,967,389</b>	<b>570,729,723</b>	<b>2,181,170,462</b>	<b>(7,162,607)</b>	<b>23,861,704,968</b>	<b>5,709,191,325</b>	<b>960,209,590</b>	<b>(3,848,358)</b>	<b>6,665,552,557</b>
<b>Total (2019-2020)</b>	<b>17,976,233,874</b>	<b>567,055,861</b>	<b>2,574,689,099</b>	<b>(1,011,443)</b>	<b>21,116,967,390</b>	<b>4,742,216,167</b>	<b>967,507,607</b>	<b>(532,450)</b>	<b>5,709,191,324</b>
<b>Allocation of depreciation:</b>									
Administrative overhead @ 5%	48,010,479								
Factory overhead @ 95%	912,199,110								
<b>Total</b>	<b>960,209,590</b>								

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

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

Date of Capitalization: 31 December 2010 and 05 July 2015.

PARTICULARS	COST				DEPRECIATION				Written down value
	Opening balance	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	Opening balance	Depreciation	Adjustment/ Disposal	Closing balance
1	2	3	4	5	6=2+3+4+5	7	8	9	10=7+8+9
<b>a) Based on Cost:</b>	<b>9,289,146,489</b>	<b>521,849,655</b>	<b>668,041,918</b>	<b>-</b>	<b>10,479,038,063</b>	<b>1,497,426,713</b>	<b>401,455,037</b>	<b>-</b>	<b>1,898,881,750</b>
Land and land development	313,746,925	-	-	-	313,746,925	-	-	-	-
Plant and machinery	5,534,197,989	505,834,951	-	-	6,040,032,940	1,053,617,981	301,537,815	-	1,355,155,797
Office equipment	61,236,029	2,185,552	-	-	63,421,580	27,981,199	6,494,969	-	34,476,168
Furniture and fixture	17,304,530	-	-	-	17,304,530	7,652,222	1,220,632	-	8,872,853
Factory apparatus and loose tools	188,031,335	1,796,361	-	-	189,827,696	68,610,707	9,087,934	-	77,698,641
Motor Vehicles	266,052,337	6,970,000	-	-	273,022,337	148,793,403	15,490,439	-	164,283,841
Factory building and other constructions	2,760,259,396	4,672,791	668,041,918	-	3,432,974,105	178,888,589	60,227,344	-	239,115,933
Sundry assets	148,317,949	390,000	-	-	148,707,949	11,882,613	7,395,904	-	19,278,517
<b>b) Based on Revaluation:</b>	<b>856,038,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>856,038,012</b>	<b>81,733,153</b>	<b>7,849,695</b>	<b>-</b>	<b>89,582,848</b>
Land and land development	739,453,096	-	-	-	739,453,096	-	-	-	-
Plant and machinery	83,051,356	-	-	-	83,051,356	65,636,850	7,104,779	-	72,741,629
Office equipment	423,389	-	-	-	423,389	317,603	28,685	-	346,287
Furniture and fixture	354,654	-	-	-	354,654	236,655	19,017	-	255,671
Factory apparatus and loose tools	2,523,455	-	-	-	2,523,455	1,241,920	110,902	-	1,352,822
Motor Vehicles	6,493,899	-	-	-	6,493,899	6,367,223	126,676	-	6,493,899
Building and other constructions	21,226,067	-	-	-	21,226,067	5,559,968	459,636	-	6,019,604
Sundry assets	2,512,096	-	-	-	2,512,096	2,372,935	-	-	2,372,935
<b>Total (a+b)</b>	<b>10,145,184,501</b>	<b>521,849,655</b>	<b>668,041,918</b>	<b>-</b>	<b>11,335,076,074</b>	<b>1,579,159,866</b>	<b>409,304,731</b>	<b>-</b>	<b>1,988,464,598</b>
<b>Total (2019-2020)</b>	<b>8,611,942,085</b>	<b>385,517,253</b>	<b>1,147,725,165</b>	<b>-</b>	<b>10,145,184,501</b>	<b>1,187,893,471</b>	<b>391,266,396</b>	<b>-</b>	<b>1,579,159,866</b>

**Allocation of depreciation:**

Administrative overhead @ 5%	20,465,237
Factory overhead @ 95%	388,839,495
<b>Total</b>	<b>409,304,731</b>

## BPML (UNIT-2)

Annexure-A.2

PARTICULARS		COST					DEPRECIATION				Written down value
		Opening balance	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	Opening balance	Depreciation	Adjustment/ Disposal	Closing balance	
1	2	3	4	5	6=2+3+4+5	7	8	9	10=7+8+9	11=6-10	
<b>a) Based on Cost:</b>											
Land and land development	2,987,721,585	82,853	212,086,696	(12,268,353)	3,187,622,781	1,266,199,080	117,197,937	(6,616,724)	1,376,780,293	1,810,842,488	
Plant and machinery	86,439,658	-	-	-	86,439,658	-	-	-	-	86,439,658	
Office equipment	2,424,920,437	-	212,086,696	(2,238,117)	2,634,769,016	1,155,415,704	104,317,274	(2,107,560)	1,257,625,418	1,377,143,598	
Furniture and fixture	10,073,923	67,853	-	-	10,141,776	7,475,430	875,896	-	8,351,325	1,790,451	
Factory apparatus and loose tools	2,167,061	-	-	-	2,167,061	1,735,124	150,806	-	1,885,930	281,131	
Motor Vehicles	13,392,000	15,000	-	-	13,407,000	8,398,273	658,168	-	9,056,441	4,350,559	
Factory building and other constructions	18,704,928	-	-	(10,030,236)	8,674,692	10,467,897	1,284,603	(4,509,164)	7,243,336	1,431,356	
Sundry assets	411,011,019	-	-	-	411,011,019	63,858,336	8,535,586	-	72,393,922	338,617,097	
	21,012,559	-	-	-	21,012,559	18,848,316	1,375,604	-	20,223,920	788,639	
<b>b) Based on Revaluation: 1,173,870,582</b>											
Land and land development	798,420,922	-	-	-	798,420,922	-	-	-	-	798,420,922	
Plant and machinery	5,301,867	-	-	-	5,301,867	3,257,496	251,599	-	3,509,095	1,792,772	
Office equipment	645,079	-	-	-	645,079	602,074	43,005	-	645,079	-	
Furniture and fixture	47,843	-	-	-	47,843	40,595	3,262	-	43,857	3,986	
Factory apparatus and loose tools	290,522	-	-	-	290,522	159,503	12,817	-	172,320	118,202	
Motor Vehicles	-	-	-	-	-	-	-	-	-	-	
Building and other constructions	366,026,540	-	-	-	366,026,540	124,572,936	9,880,311	-	134,453,248	231,573,292	
Sundry assets	3,137,809	-	-	-	3,137,809	2,928,622	209,187	-	3,137,809	-	
<b>Total (a+b)</b>	<b>4,161,592,167</b>	<b>82,853</b>	<b>212,086,696</b>	<b>(12,268,353)</b>	<b>4,361,493,363</b>	<b>1,397,760,305</b>	<b>127,598,119</b>	<b>(6,616,724)</b>	<b>1,518,741,700</b>	<b>2,842,751,663</b>	
<b>Total (2019-2020)</b>	<b>3,140,406,880</b>	<b>36,086,001</b>	<b>986,110,729</b>	<b>(1,011,443)</b>	<b>4,161,592,167</b>	<b>1,275,330,174</b>	<b>122,962,581</b>	<b>(532,450)</b>	<b>1,397,760,305</b>	<b>2,763,831,861</b>	

## Allocation of depreciation:

Administrative overhead @ 5%	6,379,906
Factory overhead @ 95%	121,218,213
<b>Total</b>	<b>127,598,119</b>



PARTICULARS		COST					DEPRECIATION				Written down value
		Opening balance	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	Opening balance	Depreciation	Adjustment/ Disposal	Closing balance	
1		2	3	4	5	6=2+3+4+5	7	8	9	10=7+8+9	11=6-10
a) Based on Cost:		5,991,761,339	48,797,215	1,301,041,848	5,105,746	7,346,706,148	2,650,405,189	416,968,079	2,768,366	3,070,141,634	4,276,564,514
	Land and land development	173,930,960	-	-	-	173,930,960	-	-	-	-	173,930,960
	Plant and machinery	4,591,012,538	9,957,640	1,226,142,236	-	5,827,112,414	2,228,086,070	348,371,127	-	2,576,457,198	3,250,655,216
	Office equipment	35,370,106	6,556,314	-	-	41,926,420	22,990,113	3,263,771	-	26,253,884	15,672,536
	Furniture and fixture	15,355,565	18,500	-	-	15,374,065	10,020,025	852,002	-	10,872,027	4,502,039
	Factory apparatus and loose tools	12,293,465	-	-	-	12,293,465	6,694,209	948,956	-	7,643,165	4,650,300
	Motor Vehicles	288,166,949	32,134,761	-	5,105,746	325,407,456	177,474,016	35,871,504	2,768,366	216,113,887	109,293,569
	Factory building and other constructions	857,444,567	-	74,899,612	-	932,344,179	190,107,398	26,136,638	-	216,244,036	716,100,143
	Sundry assets	18,187,189	130,000	-	-	18,317,189	15,033,358	1,524,080	-	16,557,438	1,759,751
b) Based on Revaluation:		818,429,383	-	-	-	818,429,383	81,865,964	6,338,661	-	88,204,625	730,224,758
	Land and land development	569,761,580	-	-	-	569,761,580	-	-	-	-	569,761,580
	Plant and machinery	26,964,683	-	-	-	26,964,683	25,141,172	1,796,873	-	26,938,046	26,638
	Office equipment	665,339	-	-	-	665,339	441,994	35,895	-	477,889	187,450
	Furniture and fixture	634,294	-	-	-	634,294	424,650	33,693	-	458,343	175,951
	Factory apparatus and loose tools	1,346,516	-	-	-	1,346,516	700,149	55,936	-	756,085	590,431
	Motor Vehicles	1,273,191	-	-	-	1,273,191	1,195,631	77,559	-	1,273,191	-
	Building and other constructions	217,124,038	-	-	-	217,124,038	53,400,252	4,294,773	-	57,695,025	159,429,013
	Sundry assets	659,742	-	-	-	659,742	562,116	43,931	-	606,047	53,695
Total (a+b)		6,810,190,722	48,797,215	1,301,041,848	5,105,746	8,165,135,531	2,732,271,153	423,306,740	2,768,366	3,158,346,259	5,006,789,272
Total (2019-2020)		6,223,884,910	145,452,608	440,853,206	-	6,810,190,722	2,278,992,522	453,278,630	-	2,732,271,153	4,077,919,569

**Allocation of depreciation:**

Administrative overhead @ 5%	21,165,337
Factory overhead @ 95%	402,141,403
<b>Total</b>	<b>423,306,740</b>

**BASHUNDHARA PAPER MILLS LIMITED****Schedule of Intangible Assets**

As at 30 June 2021

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	10=5-9
1 SAP Software	189,147,070	-	-	189,147,070	30,661,736	7,964,087	-	38,625,822	150,521,248
2 CRM Software	480,635	-	-	480,635	171,378	39,649	-	211,026	269,609
<b>Total</b>	<b>189,627,705</b>	<b>-</b>	<b>-</b>	<b>189,627,705</b>	<b>30,833,113</b>	<b>8,003,735</b>	<b>-</b>	<b>38,836,848</b>	<b>150,790,856</b>
<b>Total (2019-2020)</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>158,794,592</b>

# BASHUNDHARA PAPER MILLS LIMITED

## Schedule of Intangible Assets

As at 30 June 2021

Annexure-C

PARTICULARS	COST				DEPRECIATION				Written down value
	Opening balance	Reclassification	Addition	Closing balance	Opening balance	Reclassification	Adjustment/ Disposal	Closing balance	
1. Motor Vehicles	111,791,600	-	-	111,791,600	70,622,580	-	14,002,104	84,624,684	27,166,916
<b>Total</b>	<b>111,791,600</b>	<b>-</b>	<b>-</b>	<b>111,791,600</b>	<b>70,622,580</b>	<b>-</b>	<b>14,002,104</b>	<b>84,624,684</b>	<b>27,166,916</b>
<b>Total (2019-2020)</b>	<b>-</b>	<b>111,791,600</b>	<b>-</b>	<b>111,791,600</b>	<b>-</b>	<b>56,620,476</b>	<b>14,002,104</b>	<b>70,622,580</b>	<b>41,169,020</b>

### Allocation of depreciation:

Administrative overhead @ 5%	700,105
Factory overhead @ 95%	13,301,999
<b>Total</b>	<b>14,002,104</b>

# 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

# ছোট সোনামনির প্রতিটি মুহূর্ত হোক আরামদায়ক ও সুরক্ষিত

○ কোট সিস্টেম

○ বাতাস চলাচল উপযোগী ফ্যাব্রিক

○ ৯২ ঘণ্টা সুরক্ষা

○ অধিক শোষণক্ষমতা



বমুন্সরা  
বেবি  
ডায়াপার

সাইজ সিস্টেম :

S 3-6kg  
M 6-9kg  
L 7-10kg  
XL 11-20kg



SCAN & SHARE  
YOUR MOMENTS



/BashundharaDiaper

Bashundhara Paper Mills Ltd.

# CORPORATE GOVERNANCE





# CORPORATE GOVERNANCE STATEMENT

## Dear Valued Shareholders,

We believe- the Corporate Governance exists because companies do not exist in isolation. Successful and sustainable businesses underpin our economy and society by providing employment and creating prosperity. To succeed in the long-term, directors and the companies they lead need to build and maintain successful relationships with a wide range of stakeholders. These relationships will be successful and enduring if they are based on respect, trust and mutual benefit. Accordingly, a company's culture should promote integrity and openness, value diversity and be responsive to the views of shareholders and wider stakeholders. So as a leading manufacturing unit in Bangladesh and the compliant company in capital market the Bashundhara Paper Mills Limited has always fulfilled its responsibilities as a trusted business organization and cautious of its obligation to all its valued stakeholders. We are pleased to present to you the Annual Corporate Governance Report for the FY 2020-2021 of the Company.

Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls performance measurement and corporate disclosure. 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 as reinforcing the competitive advantage through enhanced accountability, effective risk management, clear performance management, greater transparency and effective leadership.

As a listed company in the capital market, BPML is interested with pleasure to comply all the requirements of the Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission (BSEC), as per notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018, and notification No. BSEC/CMRRCD/2006-158/208/ Admin/81, dated June 20, 2018, on financial reporting and disclosure issued by BSEC. According to these notifications, the Company is required to provide a statement in its Annual Report that the BSEC Corporate Governance Code has been complied with in all aspects.

## Corporate Governance Framework

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. Corporate Governance framework of BPML has been developed and enhanced based on the basic principles and best practices outlined in the following:

- Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance and Order, Directives, Notifications & Guidelines;
- The Companies Act 1994;
- Dhaka and Chittagong Stock Exchanges Listing Regulations;
- Labour Act, 2006;
- Provision of the Memorandum and Articles of Association of the Company;
- Internal Control system;
- Corporate Social Responsibility & Relationship;
- Formulating Eco& Employee friendly work place and policy & guideline;
- All applicable Law & Regulations; and
- Standard practices in Local and abroad.

The Board reviews the Standards of Business Conduct from time to time for applying the highest standards of governance, embracing the best global practices. The Standards of Business Conduct was last updated and revised by the Board in December 2020.

## Review on FY 2020-2021

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. Furthermore, during under review the company ensured the compliance in following issues:



- Board size and Composition;
- Appointment reappointment and election of Chairman, Managing Director, Non-Executive Directors, Independent Directors, and Nomination of Directors and act as per the code of conduct of each position;
- Composition of sub-committee of board and Executive Committee and act as per the code of conduct of each position;
- Appointment of statutory and compliance auditors accordingly,
- Separate entity of Chairman, Managing Director, Company Secretary, Chief Financial Officer and Head of Internal Control & Compliance and act as per the code of conduct of each position;
- Statuary General Meeting & Committee meeting and Attendance of the members;
- Financial Reporting and Committee Reporting as per the provision;
- Internal and External Reporting;
- Disclosed all related information for the stakeholders as per the provision;

- Review the internal policies;
- Statement of delegated authorities of the Company; and
- Confidentiality.

we were 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 ensured to uphold our commitment to good corporate governance and to continue our engagement and effort to protect the interests of the shareholders and all other stakeholder groups being a fully compliant entity, we also uphold 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.

Sincerely

Sd/-

**M. Mazedul Islam**  
Company Secretary

# REPORT OF AUDIT COMMITTEE

**Bashundhara Paper Mills Ltd. has formed an Audit Committee (AC) from its listing at the stock exchanges 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 by following the Condition. 5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) on 03 June, 2018.**

## Composition of the Audit Committee

Audit Committee is comprised of four Members, appointed by the Board of the company. The Committee includes one Independent Director, two Directors and the Company Secretary. The Audit Committee of BPML being one of its prime Board Sub-Committees, has been assigned by the Board to discharge its governance and compliance responsibilities. The following persons were act as the members of the Audit Committee during the year:

Sl.	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. Md. Nazmul Alam Bhuiyan	Director, Nominated by EWPD	Member
4.	Mr. M. Mazedul Islam	Company Secretary	Member Secretary

## Qualifications of Members of the Audit Committee

All the appointed Members of the AC of BPML has 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.

## Terms of Reference

The Terms of Reference are periodically reviews and revised with the concurrence of the Board of Directors of the company and clearly defines its roles and responsibility by the Board in line with the Corporate Governance Code of BSEC.

## Roles and Responsibilities

The Committee of BPML 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 and empowered by the Board of Directors in line to the Corporate Governance Code

to evaluate the effectiveness of internal control systems, internal Policies, operational performance, financial results, capital expenditures, products lines, procurement of raw materials, plant and machinery etc.

## Meeting and Attendance

During the FY 2020-2021 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 are mentioned below:

Sl.	Name of Members	Designation	Meeting & Attendance
1.	Mr. Khawaja Ahmedur Rahman	Chairman	4/4
2.	Mr. Md. Imrul Hassan	Member	4/4
3.	Mr. Md. Nazmul Alam Bhuiyan	Member	4/4
4.	Mr. M. Mazedul Islam	Member Secretary	4/4

## Activities of the Audit Committee

During the period ended on 30 June 2021, 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 2020--2021. It recommended to the Board of Directors for adoption and circulation those to the regulatory authorities as per the directives in this respect.

### Ensure Internal Control

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.

### 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 2020-2021.

### 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 28th Annual General Meeting. It also reviewed the matters concerning the new appointment and the audit fees of the external auditors.

### Related Party Transaction

In the FY 2020-2021 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.

## 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 2020-2021 and the existence of the internal audit services and summary of the activities for its inclusion in the audit report.

## Reporting to the Shareholders and General Investors

The activities of and Report of the Audit Committee, including the other report made to the Board of Directors under condition No. 5(6)(a)(i) of the BSEC Corporate Governance Code above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company. Including the other

## Accomplished Summary Activities for FY 2020-2021:

- Oversee the financial reporting process;
- Monitor choice of accounting policies and principles;
- Monitor Internal Audit and Compliance process and review of the Internal Audit and Compliance Report,
- Oversee hiring and performance of external auditors;
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- Review along with the management, the annual F/S before submission to the Board for approval;
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- Review the adequacy of internal audit function;
- Review the Management's Discussion and Analysis before disclosing in the Annual Report;
- Review statement of all related party transactions submitted by the management;
- 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

- Reviewed the Management discussion & analysis for the year.

### Committee Evaluation:

The Audit Committee during the period under review had found that the overall internal control and management process of the company was satisfactory.

An evaluation on the effectiveness of the Committee was carried out by the members of the Board of Directors and committee has found to be effective.

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

On behalf of Audit Committee –

Sd/-  
**M. Mazedul Islam**  
Member Secretary

Sd/-  
**Khawaja Ahmedur Rahman**  
Chairman

# REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

For a sustainable growth the Bashundhara Paper Mills Limited has paying its maximum concentration on the skills and self-motivated workforces. By the contribution of this workforces the company able to touch the milestone one after another. The Company believes by the capitalize the intelligence, expertise, opportunity of express own thinking, discipline, commitments for the job responsibility, implementation of HR policies and continuous development in line of the global changes can achieve the organizational goals. To bring this believe in light and in compliance of CGC of BSEC the Company has established a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.

## Composition of the NRC

In accordance with the condition of Corporate Governance Codes of BSEC of the Board of Directors of Bashundhar Paper mills Limited has duly constituted a Nomination and Remuneration Committee. To formulate nomination criteria for determining qualifications, positive attributes, experiences and Independence of Directors and other top-level executives as well as a policy for formal process of considering the remuneration of directors and senior level executives of the Company. During the FY 2020-2021 the following members were act as the members of the NRC:

During the period under review the Independent Director of this Company- Mr. Khawaja Ahmedur Rahman re-appointed as

## Terms of Reference

The Terms of Reference are periodically reviews and revised with the concurrence of the Board of Directors of the company and clearly defines its roles and responsibility by the Board in line with the Corporate Governance Code of BSEC.

## 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 Limited included-

- To set up the Nomination Standards;
- Recruitment and Selection Guidelines including Executive Director, Non-Executive Director, Independent Director, Top-level executives, General Employees;
- To set up the Remuneration Standards;
- The NRC recommends the Board meeting attendance fees, honorarium, including incidental expenses, if any;
- No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.
- 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

Sl.	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. Md. Nazmul Alam Bhuiyan Nominated by EWPD	Nominated Director	Member
4.	Mr. M. Mazedul Islam	Company Secretary	Member Secretary

the Chairman and Mr. Md. Nazmul Alam Bhuiyan Nominated Director appointed as the new member of the NRC and Mr. M. Mazedul Islam, Company Secretary, performed as the Member Secretary of the NRC.

## 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.

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 2021. The Committee has placed its report to the Board of Directors in due course. The attendance status of the NR Committee Meeting is appended below:

Sl.	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. Md. Nazmul Alam Bhuiyan -Nominated by EWPD	Member	1/1
4.	Mr. M. Mazedul Islam	Member Secretary	1/1

## Summary of NRC during the FY 2020-2021

- During the year under review the Committee has evaluated for recommendation of 02 (two) non-executive Directors- Mr. Ahmend Akbar Sobhan, and (ii) Mr. Md. Imrul Hassan 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, External Affairs, Labour Laws, Human Rights and Internal Governance status of the Company.

The Report of NRC is made in accordance with resolution of the Board of Directors on 28 December, 2020.

On behalf of Nomination and Remuneration Committee -

Sd/-  
**M. Mazedul Islam**  
Member Secretary

Sd/-  
**Khawaja Ahmedur Rahman**  
Chairman

# 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 Ltd. 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, 2021**. 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  
**M. Mohashin & Co.**

Sd/-

**Md. Mohasin FCS**

Chartered Secretary in Practice

**Place:** Dhaka  
**Dated:** November 30, 2021



# 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 2020-2021

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRC/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	
<b>1.</b>	<b>Board of Director</b>			
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;	✓		
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;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a loan defaulter of Bank or NBFI);	✓		
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)(ii)	who is or was a top level executive not lower than CEO/MDDMD/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
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;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
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);			n/a
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			n/a
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;	✓		
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;			n/a
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;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
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;	✓		
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

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
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
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
3. MD/CEO/CFO/HIAC and CS				
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			n/a
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.	✓		
4. Board of Directors' Committee				
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5. Audit Committee.				
5(1)(a)	The company shall have an Audit Committee as a sub- committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the 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;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
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;			n/a
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;			n/a
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;	✓		
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;			n/a

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
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:			n/a
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests;			n/a
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;	✓		
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;			n/a



Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			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
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;	✓		TOR of NRC includes this Role
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;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
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.	✓		Report of NRC is disclosed in the Annual Report

## 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;	✓	
7(1)(v)	Actuarial services	✓	
7(1)(vi)	Internal audit services or special audit services;	✓	
7(1)(vii)	Any service that the Audit Committee determines;	✓	
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓	
7(1)(ix)	Any other service that creates conflict of interest.	✓	
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure.	✓	
7(3)	Representative of External or Statutory Auditors present in the Shareholders' Meeting AGM or EGM.	✓	

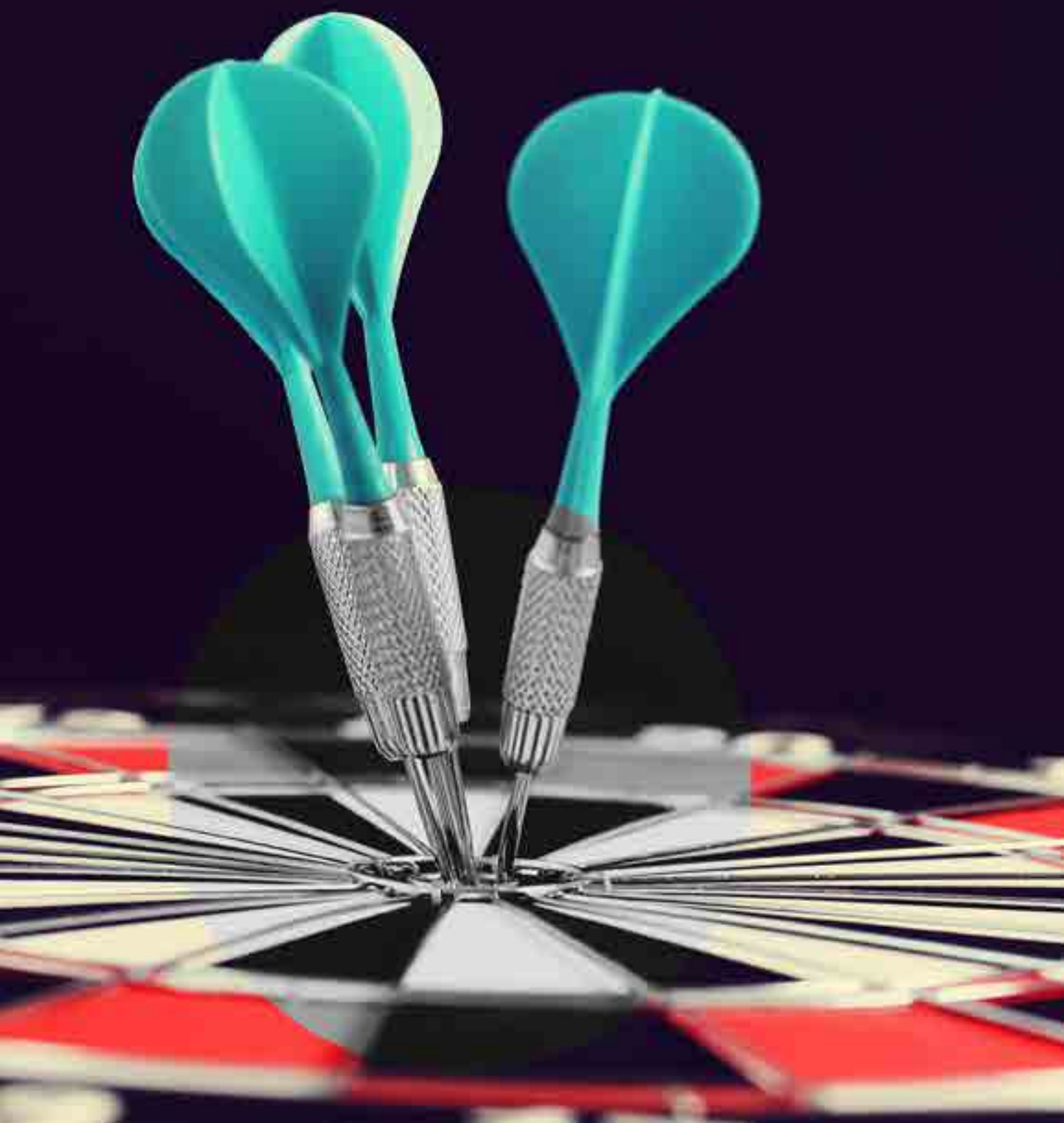
## 8. Maintaining a website by the Company

8(1)	The company shall have an official website linked with the website of the stock exchange.	✓	
8(2)	The company shall keep the website functional from the date of listing.	✓	
8(3)	The company shall make available the detailed disclosures on its website as per listing regulations.	✓	

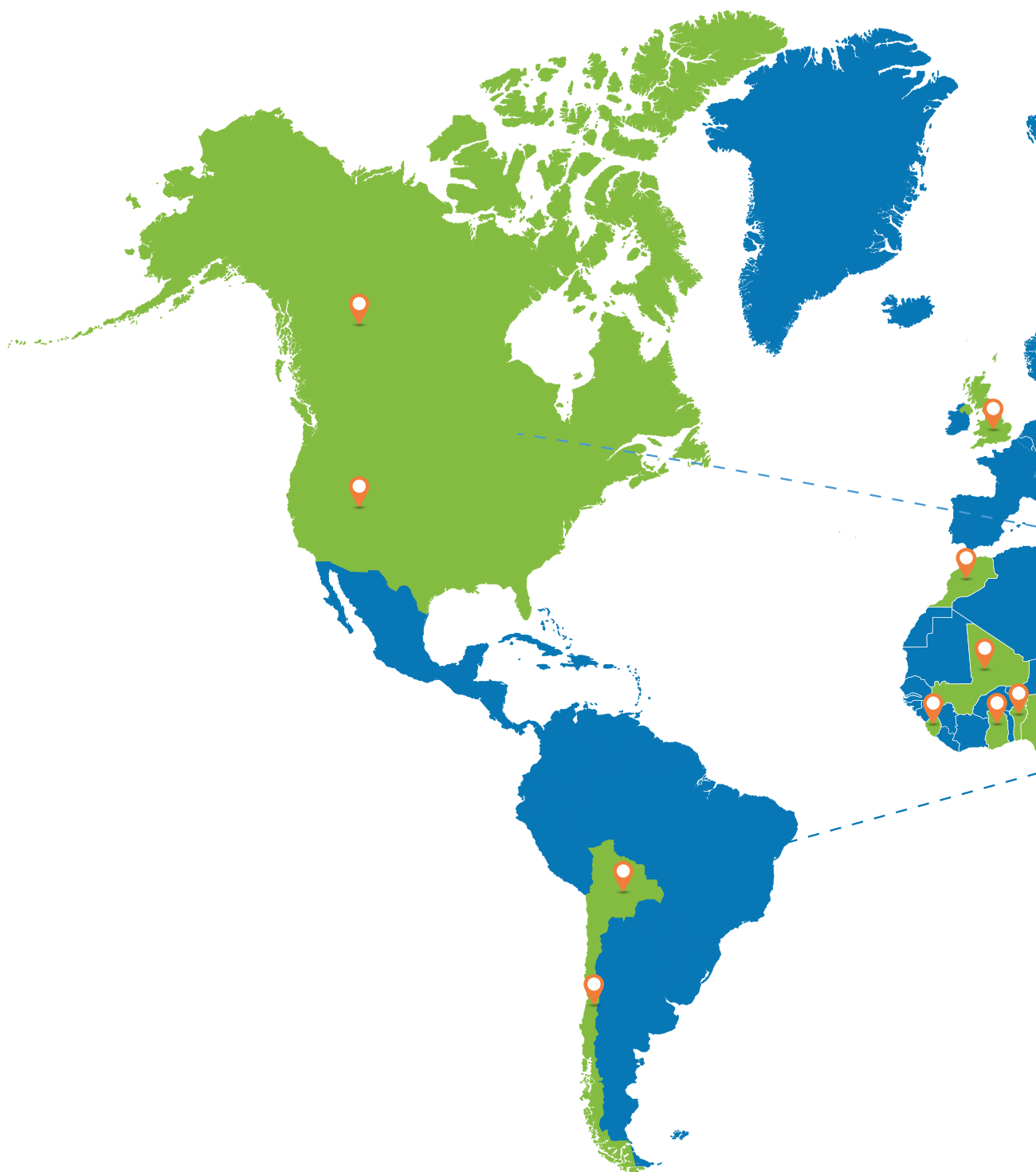
## 9. Reporting and Compliance of Corporate Governance

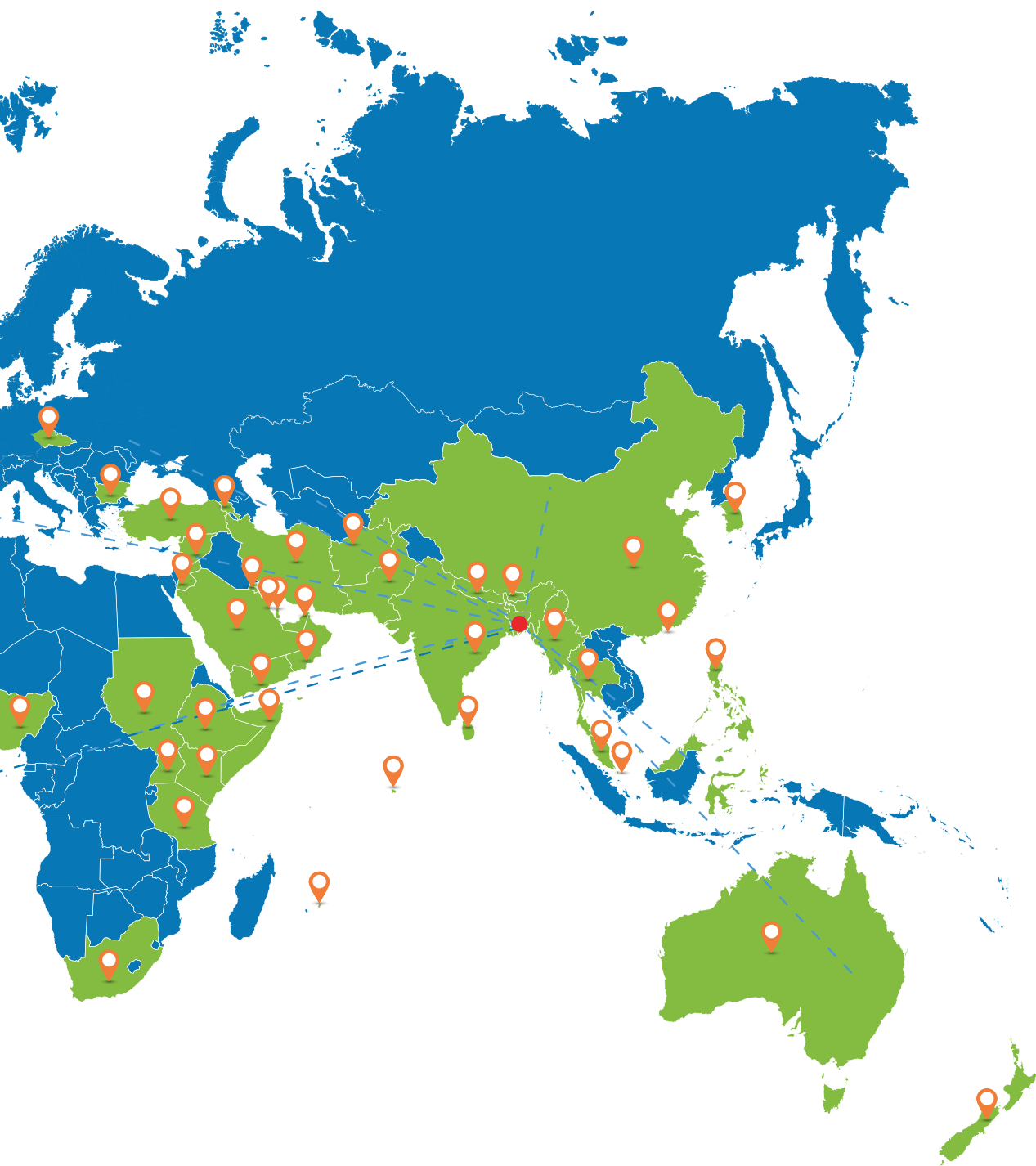
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (CA or CMA or CS) and disclosed in the Annual Report.	✓	
9(2)	The Compliance Auditors' shall be appoint by the shareholders in the annual general meeting.	✓	
9(3)	The directors of the company shall state, in accordance with the Annexure-C	✓	

# ACHIEVEMENTS AND OTHERS



# GLOBAL FOOTPRINT OF BPML





# AWARD AND CERTIFICATION







# CORPORATE SOCIAL RESPONSIBILITY



# BRAND COMMUNICATIONS







## 27TH AGM IN ACTION



# PROCEEDINGS OF 28TH ANNUAL GENERAL MEETING

The 27th Annual General Meeting of Bashundhara Paper Mills Limited was held on Thursday, 24 December, 2020 at 10:30 A.M (local time) by using Digital Platform through the link [http:// bpml.digitalagmbd.net](http://bpml.digitalagmbd.net) which operate from the Meeting room Bashundhara Industrial Headquarter-2, Plot#56/A, Block# C, Umme Kulsum Road, Bashundhara R/A, Dhaka-1229.

1. The Members as recorded in the attached list had attended the 27th Annual General Meeting of Bashundhara Paper Mills Ltd.
2. The following Directors of the Board and 154 nos. General Shareholders were connected in the 27th Annual General Meeting of Bashundhara Paper Mills Ltd.-

8. The Company Secretary read out the notice of the 27th AGM before the members connected through digital platform and requested to enjoy their voting right on the agenda. The vote counting considered through the poll option.
9. The Chairman of the meeting welcomed the valued Shareholders in the 27th AGM of the Company and requested to enjoy their voting right by using pull option on the agenda. He delivered the welcome address and briefed about the overall market scenario and business environment of the paper and allied products.

The Chairman of the meeting informed the shareholders that, the company had stepped in to the 27th year and it has

Sl.	Name of Directors	Position in the Company	Signature
1.	A.R. Rashidi	Director (Alternate)	Sd/-
2.	Md. Imrul Hassan	Director	Sd/-
3.	Md. Nazmul Alam Bhuiyan	Director (Nominated)	Sd/-
4.	Khwaja Ahemedur Rahman	Independent Director	Sd/-

3. At the request of the Members present Mr. A.R. Rashidi presided over the Annual General Meeting.
4. The following persons were also connected in the AGM in executive attendance-
  - i. Md. Mustafizur Rahman FCA, DMD;
  - ii. Mr. Mirja Mujahidul Islam, CFO;
  - iii. Mr. Md. Eleas Hassan, Head of Internal Audit & Compliance,
  - iv. Mr. Md. Kamrul Hassan, GM (A/F) and
  - v. Mr. M. Mazedul Islam, Company Secretary in charge.
5. The 27th Annual General Meeting anchored and recorded the proceedings of the Annual General Meeting of the Company by the Mr. M. Mazedul Islam, Company Secretary in charge.
6. At the outset of the meeting the Verses from the Holy Qur'an was recited by Mowlana Md. Alauddin and interpreted its meaning in Bangla.
7. As the required quorum was present in for the Annual General Meeting was present, the Chairman of the meeting called the meeting as duly constituted and ordered and the meeting was proceeded as per the agenda of the meeting.

been Third years, the company had been listed in the Capital market. The Board and the management of Bashundhara Paper Mills Ltd, felt proud in getting the opportunity to involve with the stakeholders/investors during the year under review as the shareholder/ members in this year.

The Chairman mentioned that despite many obstacles the company and the paper & allied products industries of Bangladesh during the last 27 years had grown up gradually. He also informed that despite unavailability of raw materials the paper industry's growth was noticeable. The company had started products export and overcome various adversities by engaging skills and by the cooperation of all had attained profits and due. to that it was able to declare cash dividend for all of its shareholders at a considerable rate for this year.

Then the meeting proceeded as per the Agenda of the Notice of the 27th AGM as was circulated earlier.

## A.Special Business:

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

The agenda related to the amendment of the Article no. 122 of the company was read out in the meeting and described its necessity for amendment. So, the members considering all pros and cons passed the following resolution unanimously -



**RESOLVED**

That the amendment of article no. 122 of the company be and is hereby amended and approved by the Shareholders and be read as follows-

**“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.”**

**Agenda-2: To amend the IPO Prospectus: BO ID number of Directors of the Company.**

The agenda related to the amendment of the published IPO prospectus of the company was read out in the meeting and described its necessity for amendment. So, the members considering all pros and cons passed the following resolution unanimously-

**RESOLVED:**

**“That the BO ID numbers of - i) Mr. Md. Imrul Hassan and ii) M/S. East West Property Development (Pvt.) Limited 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:**

**Agenda-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**

The Chairman informed in the meeting that the Notices of this 27th AGM were duly been published in two national daily newspapers and online portal and the Audited Financial Statements along with the Directors’ Report were sent to the Members, whose names were recorded in the Members Register on the Record Date at their respective recorded addresses. As the regulatory directives to connected through digital link for this AGM was open before 48 hours from the holding of meeting.

As invited earlier through digital platform the member connected in the meeting to discuss on the Directors’ Report and the Audited Financial Statements for year ended on 30 June 2020. A considerable number of members connected in the digital platform actively participated and expressed their observations, comments and suggestions regarding the Audited Financial Statements for the Financial Year 2019-2020 and the Directors’ Report.

After considering all pros and cons, the members present voted and passed the following resolution unanimously -

**RESOLVED**

**“That the Directors’ Report and the Audited Financial Statements of the Company for the year ended on 30 June, 2020 long with Auditors’ Report thereon be and are hereby received, considered, adopted and approved by the Shareholders of the Company.”**

**Agenda-2: To declare and approve the Dividend for the Financial Year ended on 30 June 2020**

The members were informed that for the Financial Year 2019-2020 the Board of Directors of the company had recommended Cash Dividend @ 10% i.e BDT 1.00/- (Taka One) per ordinary of share of BDT 10/- (Taka Ten) each for the members whose names appeared in the Members Register on the Record Date (30/11/2020) other than Sponsors, Directors, Pre-IPO Placement Shareholders.

Then the recommend the Cash Dividend @10% (Ten) out of the profit of the Company for the year ended 2019-2020 and approval by the Shareholder’s in the 27th Annual General Meeting and unanimously passed the follow resolution-

**RESOLVED**

**“That the recommendation of the Cash Dividend @10% i.e. BDT 1.00/- (Taka One) on par value of shares of BDT 10/- (Ten) each for the Financial Year 2019-2020 other than Sponsors, Directors, Pre-IPO Placement Shareholders be and is hereby considered and approved.”**

**Agenda-3: To retire and re-elect the Directors of the Company**

The Chairman of the Company informed the meeting that, 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. The Directors were- i) Mr. Md. Imrul Hassan; and ii) 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 reappointment of the retiring Directors and placed them before shareholders in this 27th General Meeting for their consent.

So, after considering all pros and cons the embers present passed the following resolution unanimously-

## RESOLVED

“That Mr. Md. Imrul Hasan, and ii) East West Property Development (Pvt.) Ltd. Represented by- Mr. Md. Nazmul Alam Bhuiyan retired by rotation as per Article no. 100 of the Articles of Association of the Company, be and are hereby re-elected as the Directors of Bashundhara Paper Mills Ltd. as per the Article-101 of the Articles of Association of the Company.”

### **Agenda-4: To appoint Statutory Auditors for the Financial Year 2020-2021 and to fix their remunerations**

The members present were informed 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 re-appointment being they are eligible. In view of this 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 re-appointment of the Statutory Auditors of the company for the Financial Year 2020-2021 at a fee of BDT 3,50,000/- (Taka Three lac Fifty Thousand) only excluding VAT for its approval by the shareholders of this company in this 27th Annual General Meeting.

So, after considering all pros and cons the members present passed the following resolution unanimously

## RESOLVED

**“That M/S. Aziz Halim Khair Choudhury & Co., Chartered Accountants be and is hereby reappointed as the Auditors of the Company for the Financial Year 2020-2021 with the audit fees of BDT 3,50,000/- (Taka Three lac Fifty Thousand) only inclusive of VAT and AIT”**

Sd/-  
**A.R. Rashidi**  
Chairman of the Meeting

### **Agenda-5: To appoint Compliance Auditors for the Financial Year 2020-2021 and to fix their Remunerations**

The members present were informed that the present Compliance auditors of the company- M/S. Itrat Hossain & Associates, Chartered Secretaries in Practices was the Corporate Governance Certification for the Financial Year 2019-2020 and completed three continuous years as the Corporate Governance Certification for this company. The Compliance Auditors express their unwillingness to extend their service for the same for following year. Meanwhile 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.

## RESELVOD

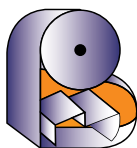
**“That the M/S. M. Mohasin & Co. Chartered Secretaries be and is hereby appointed as the Compliance Auditors for Corporate Governance Certification of the Company for the Financial Year 2020-2021 with the fee of BDT 100,000/- (One Lac) excluding the VAT only.”**

As there being no matter to be transacted so, the meeting ended with votes of thanks to and from the Chair.



## 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 28th Annual General Meeting of the Company to be held on Tuesday 28 December, 2021 at 11:00 AM (Local Time) and/or at any adjournment thereof.

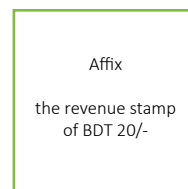
As witness I/We put my/our hand this ..... day of.....2021.

Signature of the Shareholder : .....

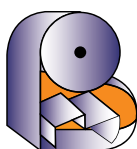
Signature of the Shareholder : .....

Register BO ID no. : .....

Numbers of shares held : .....



**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 **cs.bpml@bgc-bd.com** 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 **28th ANNUAL GENERAL MEETING** being held on Tuesday 28 December, 2021 at 11:00 AM (Local Time) through Digital Platform.

Name of Shareholder : .....

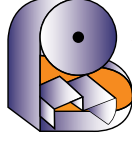
Signature of Shareholder : .....

BO ID no. : .....

Numbers of shares held : .....

Name of Proxy : .....

Signature of proxy : .....



# বসুন্ধরা পেপার মিলস্ লি:

রেজিস্টার্ড অফিস : ১২৫/এ, রোড-২, ব্লক-এ, বসুন্ধরা আবাসিক এলাকা, ঢাকা-১২২৯.

## প্রতিনিধি/প্রক্সি ফরম

আমি/আমরা -----

ঠিকানা -----

আমি/আমরা বসুন্ধরা পেপার মিলস্ লিমিটেড এর সদস্য। আমার/আমাদের প্রতিনিধি হিসেবে আগামী ২৮ ডিসেম্বর, ২০২১ইং তারিখ মঙ্গলবার, সকাল ১১:০০ ঘটিকায় অনুষ্ঠিতব্য অত্র কোম্পানীর ২৮তম বার্ষিক সাধারণ সভায় এবং এর মূলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকার এবং ভোট প্রদান করার জন্য নিম্নোক্ত প্রতিনিধিকে নিযুক্ত করলাম :

প্রতিনিধির নামঃ জনাব/জনাবা -----

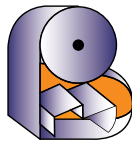
ঠিকানা -----

অত্র প্রক্সি ঘোষনার স্বাক্ষর হিসেবে অদ্য -----২০২১ইং তারিখে আমি/আমরা সজ্ঞানে আমার/আমাদের স্বাক্ষর প্রদান করলাম।

সদস্যের স্বাক্ষর : -----  
সদস্যের স্বাক্ষর : -----  
বিও আইডি : -----  
ধারনকৃত শেয়ার সংখ্যা : -----

রাজস্ব টিকেট  
২০/- টাকা  
সংযুক্ত করুন

**বিঃদ্রঃ** ২৮তম সভায় সংযুক্ত ও ভোট দানের জন্য যোগ্য যে কোন সদস্য, তার পরিবর্তে অন্য যে কোন সদস্য (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 [cs.bpml@bgc-bd.com](mailto:cs.bpml@bgc-bd.com) ঠিকানায় পৌছাতে হবে।



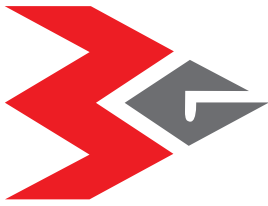
# বসুন্ধরা পেপার মিলস্ লি:

রেজিস্টার্ড অফিস : ১২৫/এ, রোড-২, ব্লক-এ, বসুন্ধরা আবাসিক এলাকা, ঢাকা-১২২৯.

## উপস্থিতি পত্র :-

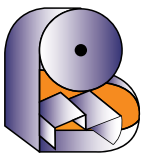
আমি/আমরা বসুন্ধরা পেপার মিলস্ লিমিটেড এর ২৮তম বার্ষিক সাধারণ সভা যা ডিজিটাল প্রাটফর্মের মাধ্যমে অদ্য মঙ্গলবার, ২৮ ডিসেম্বর ২০২১ইং তারিখে সকাল ১১:০০ ঘটিকায় অনুষ্ঠিতব্য সভায় আমার/আমাদের উপস্থিতি লিপিবদ্ধ করিলাম।

সদস্যের নাম : ..... সদস্যের স্বাক্ষর : .....  
বিও আইডি নং : ..... ধারনকৃত শেয়ার সংখ্যা : .....  
প্রতিনিধির নাম : ..... প্রতিনিধির স্বাক্ষর : .....



**BASHUNDHARA GROUP**

*For the People, for the Country*



**Bashundhara Paper Mills Ltd.**

**An Enterprise of Bashundhara Group**

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Block# A, Bashundhara R/A,  
Dhaka-1229, Bangladesh

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