

**Growth with**  
Green Globalization



# Growth with Green Globalization

Globalization is commonly viewed as a process of economic integration among Nations. Globalization delivers growth through fostering collaboration among countries in areas like education, science & technology, healthcare, agriculture and others which impacts national development.

With the advent of 4th IR, disruptive technologies like the Internet of Things Robotics, Virtual Reality, Artificial Intelligence have dramatically changed the way we live and work. Communities across countries are more closely connected than ever before, turning the world into a common global village. In order to attain short-term development goal, policy makers across many countries of the world are reluctant to prioritize critical issue like biodiversity, environmental sustainability, and green governance as a component of their long-term development agenda. This, in turn has impacted the global environment with series of unusual behavior pattern like drought, severe heat wave etc observed globally over the last couple of years. Green governance is an integral part of sustainable development that harnesses growth in other avenues of the economy.

The fresh sapling growing on the chest of the global map is used as a metaphor in this report, which indicates importance and scale of care in protecting nature and the tag line "Growth with Green Globalization" reminds of the promise to save the nature. BPML has been adopted and promoted green initiatives as its development agenda. Which will enable to scale green globalization in to a new height, paving the way for sustainable growth across the communities and strengthening economies across the world.



The legacy of **29** years success  
with the motto-  
*For the People, for the Country.*



**Bashundhara Paper Mills Ltd.**

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



# Concentration on Report

## About report

To accumulate and disclose an independent, concise and true and fair view picture of this company in light of the corporate governance, regulatory compliance and strategic overview of the company is the prime aims of this report. This report also emphasized on the value-creation for 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 this report are not guarantees of its future operating, financial and other results or any uncertainty, as they rely on future circumstances.

## Report period

The Annual Report -2022 of Bashundhara Paper Mills Limited has covered the period from 01 July 2021 to 30 June 2022. The report includes all the notable or material factor/events after mention period.

## Report for

This Report has been prepared for the shareholders 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.

## Reports focused

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 key focused area -

- Companies Act-1994;
- Corporate Governance Code;
- Listing Regulations- 2015;
- Information for Shareholders;
- Leadership of the Company;
- Financial Performance;
- Business Overview;
- Achievement & Awards;

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

## Material factors

Retention of efficient workforces, contribution in national growth, financial performance, corporate social responsibility, good governance practices and protect the interest of shareholder are the prime focused area of the material factor of the company. 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.

Disclosing all the material factors or information with best of our knowledge and transparency, this report may create a value addition for the long-term relationships with our stakeholders.

Sd/-

**M. Mazedul Islam**  
Company Secretary



**4<sup>th</sup>**  
**times**  
in a row



The commitment to Purity & Cleanliness helped Bashundhara Tissue once again to be awarded the prestigious Best Brand Award 2021, consecutive 4 times in a row (2018 -2021). Bangladesh Brand Forum & Nielson combinedly conducted a census which has resulted in this recognition.

**This is the result of the love and confidence from our countless customers, partners, and consumers.**

**Bashundhara**  
*TISSUE*

**THINK HYGIENE  
LIVE SAFE**



# 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 2022.

**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 2022 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

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# Tissue Brand with HIGHEST Recognitions in Bangladesh



**Bashundhara**  
Tissue

**THINK HYGIENE  
LIVE SAFE**

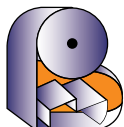


**16339**

# 29th AGM



# Notice of the 29th Annual General Meeting



**Bashundhara Paper Mills Ltd.**

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

## NOTICE OF THE 29th ANNUAL GENERAL MEETING (Virtual Meeting through Digital Platform)

Notice is hereby given that the 29th Annual General Meeting of the Members of Bashundhara Paper Mills Limited will be held on Tuesday, 27th December, 2022 at 11:00 AM (local time) by using Digital Platform through the link- <https://bpml29.digitalagmbd.net> to transact the following business:

### Agendas

1. To receive, consider and adopt the Directors' Report, the Auditors' Report and the Audited Financial Statements of the Company for the Financial Year ended on 30 June 2022;
2. To declare and approval of Dividend for the Financial Year ended on 30 June 2022;
3. To elect the Directors of the Company;
4. To appoint Statuary Auditors for the Financial Year 2022-2023 and to fix their remunerations;
5. To appoint Compliance Auditors for the Financial Year 2022-2023 and to fix their remunerations.

By Order of the Board of Directors

Sd/-

**M. Mazedul Islam**

Company Secretary

Date: 16 November, 2022

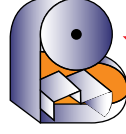
### Special Notes

- i. The "Record Date" of the Company has been fixed on **22/11/2022**. Members whose names appeared in the Company's Member Register (depository) at the close of business on the Record Date be entitled to attend/join the Annual General Meeting and entitled to receive the dividends;
- ii. The 29th AGM of the Company would be conducted through "Digital Platform" in accordance 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 through the mentioned link will be available in the Company's website [www.bashundharapapermills.com](http://www.bashundharapapermills.com) and the link will be e-mailed to the respective Member's address which is available with the registers on the record date. The members will be able to log-in with the link 24 hours before the time fixed for the Meeting for expressing their valuable comments. Please visit the website for technical assistance (if any) in accessing the virtual meeting;
- iv. Any member entitled to attend and vote at the AGM 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-2022) must be affixed with revenue stamp of BDT 20/- and must be sent through at the email to [cs.bpml@bgc-bd.com](mailto: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 accounts and addresses including e-mail addresses through their respective Depository Participants (DP) well in time and all communicational information will be accepted through verified by CDBL as on Record date;
- vi. The soft copy of the Annual Report-2022 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-2022 will also be available in the website [www.bashundharapapermills.com](http://www.bashundharapapermills.com) of the Company.



Annual Report 2022

# ২৯তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি



**বসুন্ধরা পেপার মিলস্ লি:**

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

## ২৯তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি (ডিজিটাল প্লাটফর্মের মাধ্যমে)

এতদ্বারা বসুন্ধরা পেপার মিলস্ লিমিটেডের সকল শেয়ারহোল্ডারবৃন্দ সহ সংশ্লিষ্ট সকলের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আগামী ২৭ ডিসেম্বর, ২০২২ইং রোজ মঙ্গলবার সকাল ১১.০০ ঘটিকায় (স্থানীয় সময়) ডিজিটাল প্লাটফর্মের মাধ্যমে [link- https://bpml29.digitalagmbd.net](https://bpml29.digitalagmbd.net) ব্যবহার করতঃ অত্র কোম্পানীর ২৯তম বার্ষিক সাধারণ সভা নিম্নবর্ণিত বিষয়াদি সম্পাদনকল্পে অনুষ্ঠিত হবেঃ

### আলোচ্য-সূচী

- ৩০শে জুন ২০২২ইং তারিখে সমাপ্ত আর্থিক বৎসরের নিরীক্ষিত বার্ষিক আর্থিক প্রতিবেদন এবং তৎসঙ্গে নিরীক্ষক ও পরিচালকমন্ডলীর প্রতিবেদন সমূহ গ্রহণ, বিবেচনা ও অনুমোদন;
- ৩০শে জুন ২০২২ইং তারিখে সমাপ্ত আর্থিক বৎসরের জন্য লভ্যাংশ ঘোষণা ও অনুমোদন;
- অত্র কোম্পানীর পরিচালকগণের নির্বাচন;
- ২০২২-২০২৩ইং আর্থিক বৎসরের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।
- ২০২২-২০২৩ইং আর্থিক বৎসরের জন্য কমপ্রায়েস নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

পরিচালকমন্ডলীর আদেশক্রমে  
স্বাক্ষরিত/-

এম. মাজেদুল ইসলাম  
কোম্পানী সচিব

তারিখ- ১৬ নভেম্বর, ২০২২ইং

### দ্রষ্টব্য

- অত্র কোম্পানীর “রেকর্ড ডেট” ২২/১১/২০২২ইং তারিখে নির্ধারণ করা হয়েছে। উক্ত তারিখে যে সকল শেয়ারহোল্ডারগণের নাম অত্র কোম্পানীর সদস্য বহিতে (ডিপোজিটরী) অন্তর্ভুক্ত থাকবে তাঁরা অত্র কোম্পানীর ২৯তম বার্ষিক সাধারণ সভায় যোগদান ও ঘোষিত লভ্যাংশ প্রাপ্তির জন্য যোগ্য বলে বিবেচিত হবেন।
- বিএসইসি-এর নির্দেশনা নং SEC/SRMIC/04-231/25 তারিখ ০৮ জুলাই ২০২০ অনুযায়ী ২৯তম বার্ষিক সাধারণ সভা ডিজিটাল প্লাটফর্মের মাধ্যমে অনুষ্ঠিত হবে।
- ২৯তম 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।
- ২৯তম 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 পৌছাতে হবে।
- 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 অনুযায়ী যোগাযোগের সমস্ত তথ্য সিডিবিএল কর্তৃক যাচাইকৃত হতে হবে।
- বিএসইসি-এর নির্দেশনা নং SEC/CMRRCD/2006-158/208/অফসরহ/৮১ তারিখ ২০ জুন, ২০১৮ অনুযায়ী ই-মেইলের মাধ্যমে সম্মানিত শেয়ারহোল্ডারগণকে বার্ষিক প্রতিবেদন-২০২২ যথাসময়ে প্রেরণ করা হবে। এছাড়া বার্ষিক প্রতিবেদন ২০২২ অত্র কোম্পানীর ওয়েবসাইটঃ [www.bashundharapapermills.com](http://www.bashundharapapermills.com) - এ প্রদান করা হয়েছে।



# Access process to join 29th AGM Annual 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 29th 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 : <https://bpml29.digitalagmbd.net>** The access process of join in the virtual meeting adheres for the convenience of the shareholders. So that, the shareholders are able to participate fully and equally from any location of the world.

## 01

### Access

#### Shareholders Login

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

#### Proxy Login

- 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.

## 02

### 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.

## 03

### 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.

### 29th AGM Helpline

**Mr. M.Mazedul Islam**

mazedul.islam@bgc-bd.com

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

Fax: +88 02 55037257

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

**Mr. Mahbubur Rahman**

mahbubur.rahman@bgc-bd.com

**Mr. Md. Golam Morshed**

golam-morshed@bgc-bd.com



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



You may download a digital copy of the Annual Report- 2022 by scanning this QR code on your smart device.



Annual Report 2022

# COMPANY OVERVIEW





# Overview of the 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 and a first local sports TV channel "Tsports" is new addition 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 Lt. Sheikh Jamal Dhanmondi Club 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 motto "For the People, for the Country".



# Overview of the BPML



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

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

The company has been relentless over more than two decades to offer its diversified products ranging from different types of Paper, 17 Directors' Report Tissue & Hygiene portfolio, thereby it has rightly been entrusted from customer's fraternity of home and abroad. At present, Bashundhara Paper is the trusted source of volume Paper-needs of both Government level and, while keep general consumers pace of exporting to over 35 different

global destinations. Noteworthy, it has been successful to become the only Company in Bangladesh having the certification of ISO 9001:2015 and FSCCoC 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.





## 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.

### **S Supportive**

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

### **P Passionate**

we love our company and we love winning

### **I Integrity**

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

### **R Responsible**

we are responsible to all our stakeholders

### **I Ingenuity**

we are always ahead through innovation and operational excellence

### **T Togetherness**

we are stronger when we work as one team

# Commitment & Priority

## Mission

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;

## Customers

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.

## Team Member

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.

## Suppliers

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.

## Society

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.

## Financial Institutions

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.

## Regulatory

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.

## Stakeholders

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.





# Code of Conducts

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



## Compliance of Laws

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



## Integrity in Business Practice

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

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.



# Policy Statement



## Quality Policy

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



## Environmental Policy

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.

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

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

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





## Occupational Health and Safety Policy

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

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

### Specific duties require that BPML

- Identify and reduce risks in the workplace;
- Provide and maintain safe systems at work place;
- Provide and maintain equipment and substances in a safe condition;
- Provide facilities in a safe and healthy condition for the welfare of employees;
- Provide adequate information, instruction,

training and supervision;

- Maintain our environment and facilities in a safe condition;
  - Maintain accurate and up-to-date records about the health of employees and volunteers including information about accidents and incidents;
  - Develop and implement policies and procedures about working in the human resources safely;
  - Consult with employees about safety issues;
  - Provide and share adequate information with the employees regarding health & safety issues;
- BPML is committed to providing a safe and positive working environment for all its staff and acknowledging that the wellbeing of staff is a prime factor in enabling them to perform their duties to the best of their abilities. In return, The BPML desires that staff accept their responsibilities to work safely.



# Corporate Directory

<b>Name of the Company</b>	:	<b>Bashundhara Paper Mills Ltd.</b>
<b>Legal Status of the Company</b>	:	<b>Public Limited Company (listed)</b>
<b>Date of Incorporation</b>	:	<b>28 September, 1993</b>
<b>Date of Amalgamation</b>	:	<b>10 October, 2009</b>
<b>Financial Year</b>	:	<b>30 June</b>
<b>Listing at Stock Exchange</b>	:	<b>DSE June, 2018 CSE June, 2018</b>
<b>Category in Stock Exchange</b>	:	<b>DSE A CSE A</b>
<b>Capital of the Company</b>	:	<b>Authorized 500 Cr. Paid-Up 173.17 Cr.</b>

<b>Composition of Ownership</b>	<b>Category</b>	<b>Percentage of Shares</b>
As on 30 June 2022	Board of Directors (incl.MD)	67.47%
	Sponsor Shareholders (incl. pre-IPO Sponsors)	17.55%
	Institutions	6.42%
	General Public	8.56%
	<b>Total</b>	<b>100%</b>

<b>Composition of Board</b>	<b>Name</b>	<b>Person in Company</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

<b>Audit Committee</b>	<b>Name</b>	<b>Position in 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

<b>Nomination &amp; Remuneration Committee</b>	<b>Name</b>	<b>Position in 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

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



# Corporate Directory

## Executive

Committee	:	Name of Members	Position in Company	Position in Committee
		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	Adviser (Construction)	Member
		Mr. Khairul Bashir Khan	Head of Logistics	Member
		Mr. Md. Abul Hasan	Head of Project, Unit -3	Member
		Mr. S.M. Sorowar	Head of Project, Unit -1	Member
		Mr. Mirja Mujahidul Islam	Chief Operation Officer	Member
		Mr. Nihar Ranjan Sarkar	Head of Project, Unit -2	Member
		Mr. Md. Delwar Hossain	Chief Human Resource Officer	Member
		Mr. Md. Masudur Rahman	Chief Sales Officer	Member
		Mr. Mohammad Kamrul Hassan	Chief Financial Officer	Member
		Mr. Mohammad Nurul Huda	HOD (Banking)	Member
		Mr. Mohammad Eleas Hossain	Head of Internal Audit & Compliance	Member
		Mr. Khijir Ahammed	HOD (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. Haruner Rashid & Associates.  
Chartered Secretaries & Management Consultants

**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.



# Time line of BPML



## 1993

### Year of Incorporation

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



## 1997

### The commercial production

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



## 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.



## 2010

### Inception of exporting

The endeavor to expand its market beyond the domestic border.



## 2015

### The ISO Certification

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



## 2015

### Touch the capital of 100 Cr+

Reached its Paid-up Capital of 100 + Cr.



## 2015

### FSC-COC Mix Certification

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



## 2017

### Paper Exhibition Award

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



## 2018

### The Super Brand Award

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





# Time line of BPML



## 2018

### Listing with Stock

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



## 2019

### Brand

Best Brand Award  
(Bashundhara Tissue)



## 2020

### Super Brand

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



## 2021

### Asia's Greatest Brand & Best Brand Award

**2021** consecutive 4th  
time

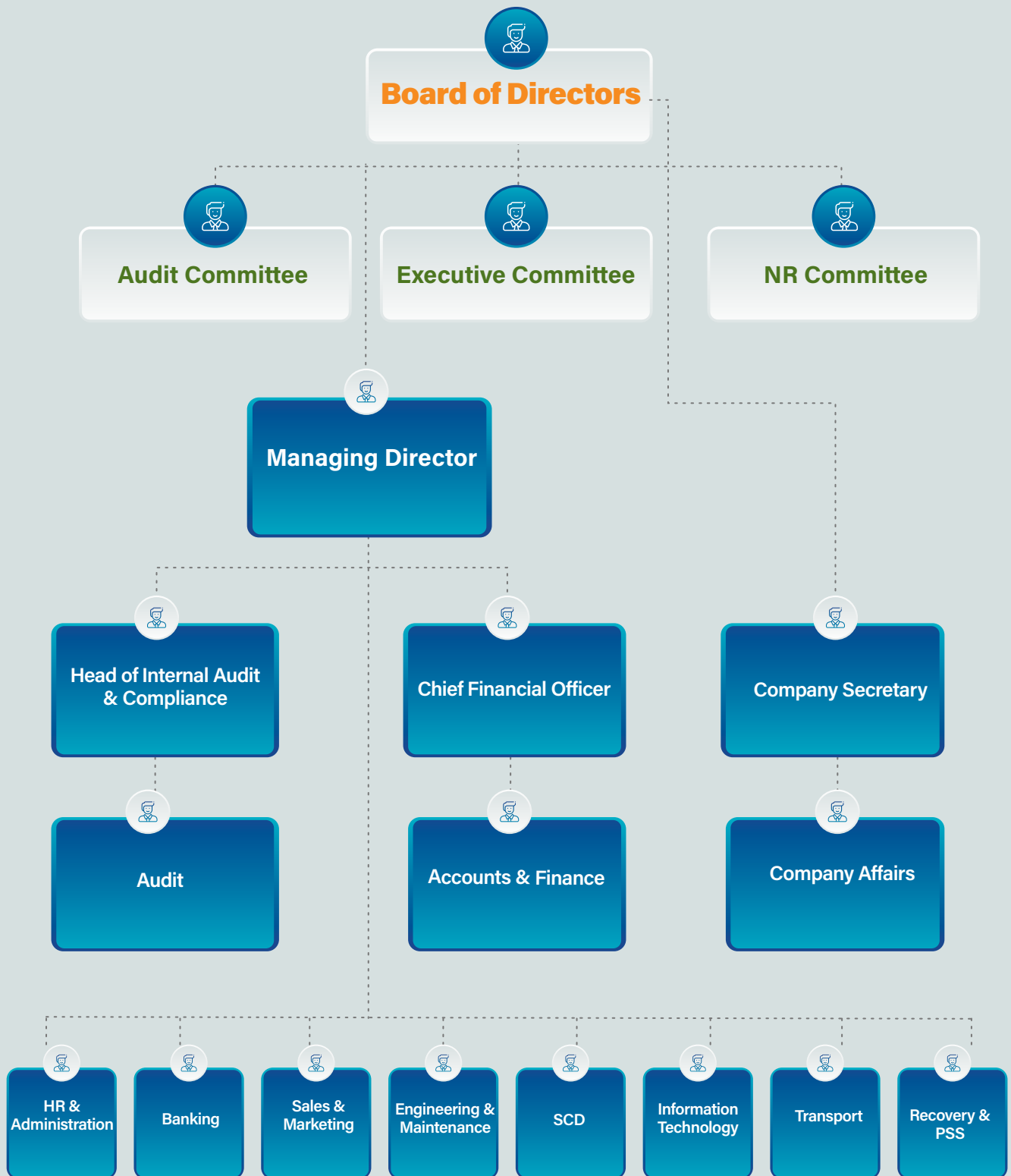


## 2022

### Communication Award

for the most creative use  
of media category

# Organogram of BPML



# FINANCIAL OVERVIEW







16339

# Introducing **Bashundhara** FACIAL TISSUE

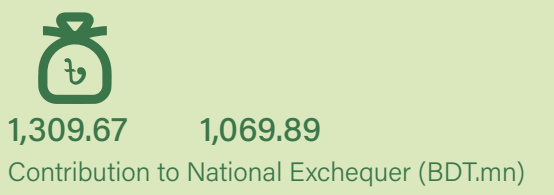
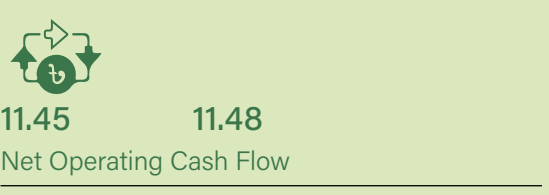
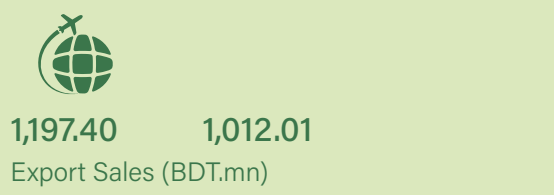
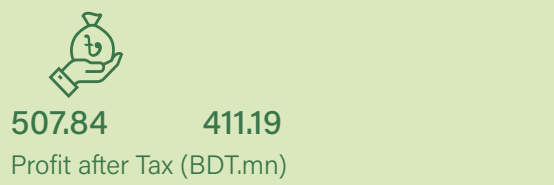
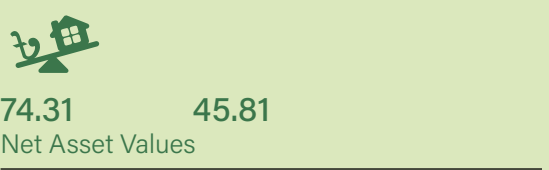
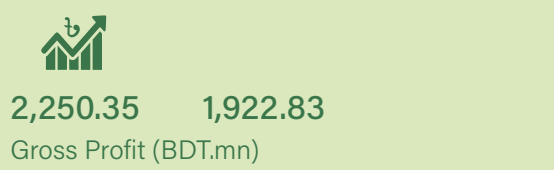
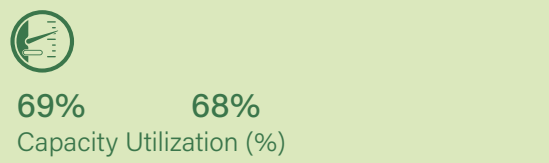
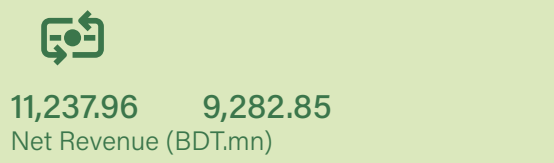
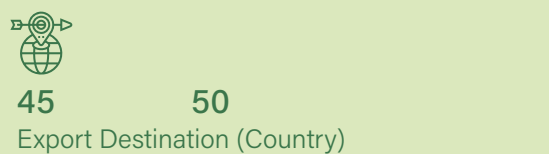
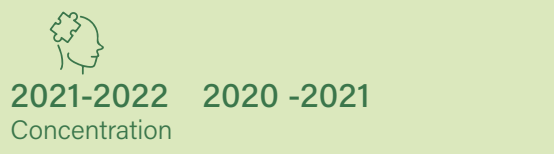


LAYERS

SOFT  
STRONG  
ABSORBENT

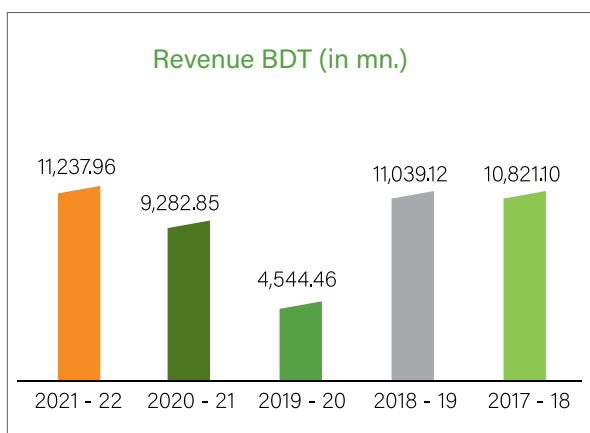


# Performance at a Glance

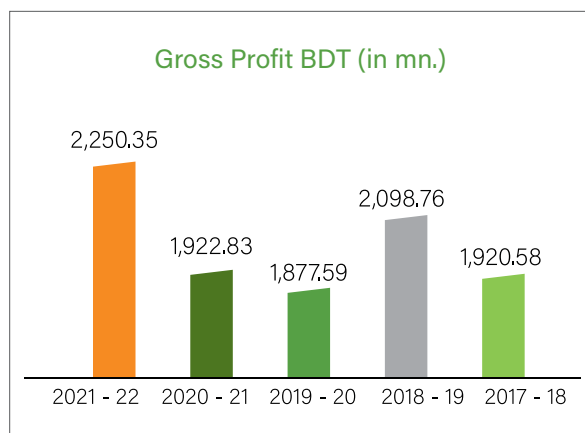


# Graphical Presentation

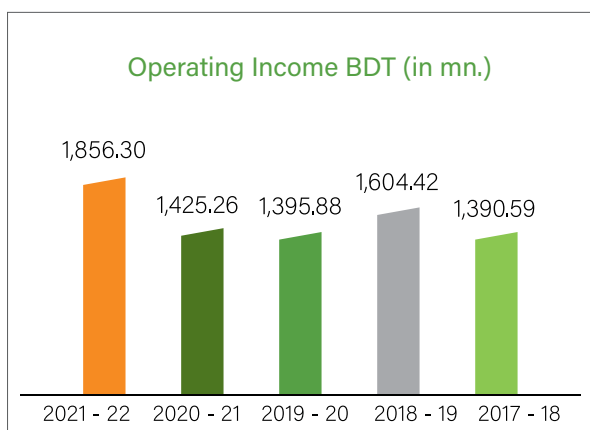
Revenue BDT (in mn.)



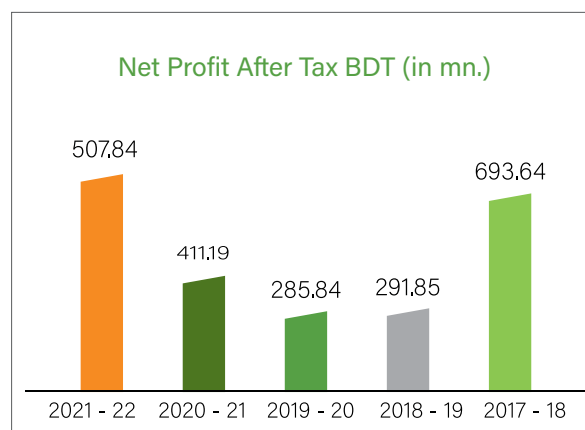
Gross Profit BDT (in mn.)



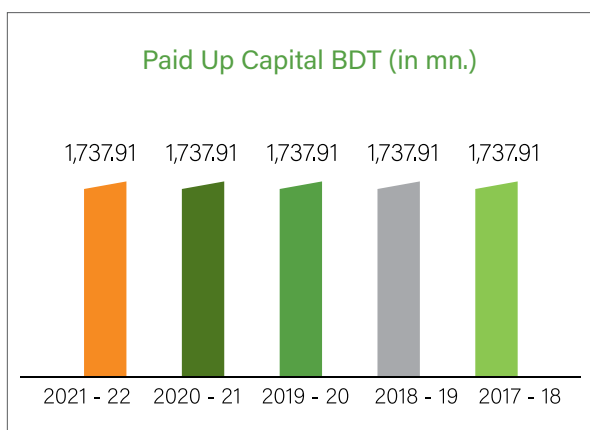
Operating Income BDT (in mn.)



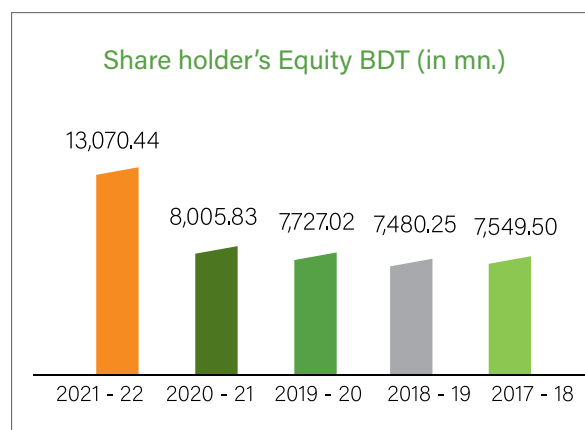
Net Profit After Tax BDT (in mn.)



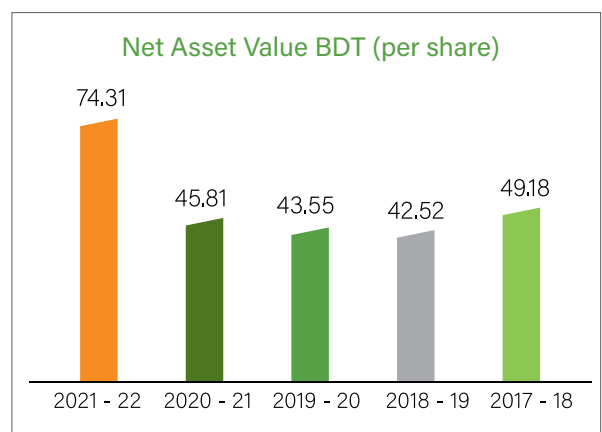
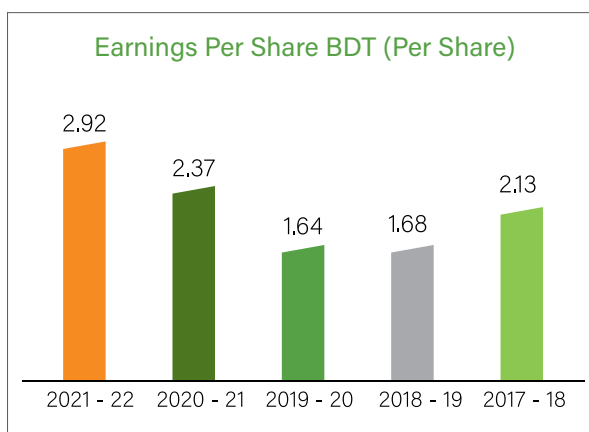
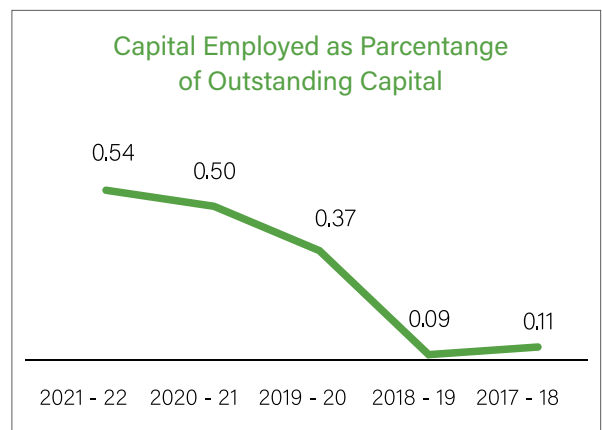
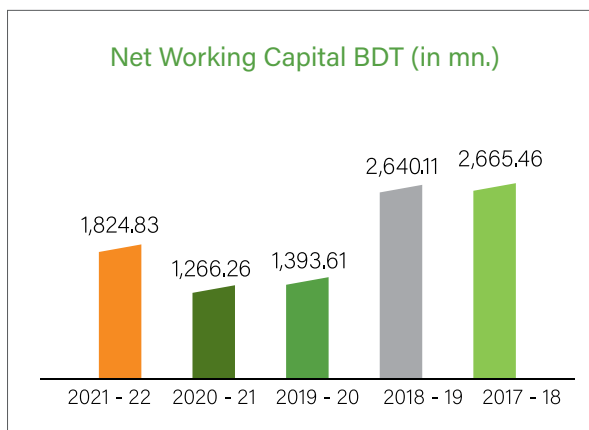
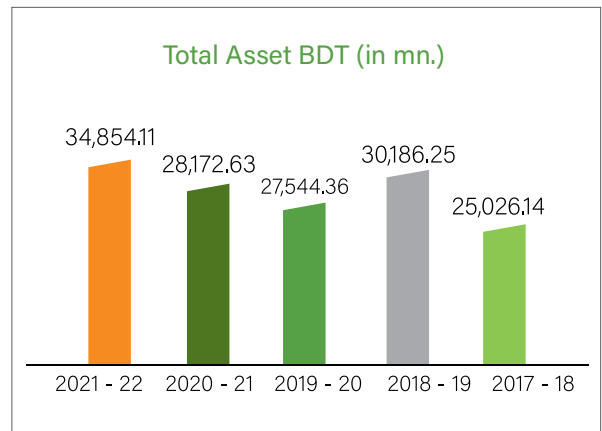
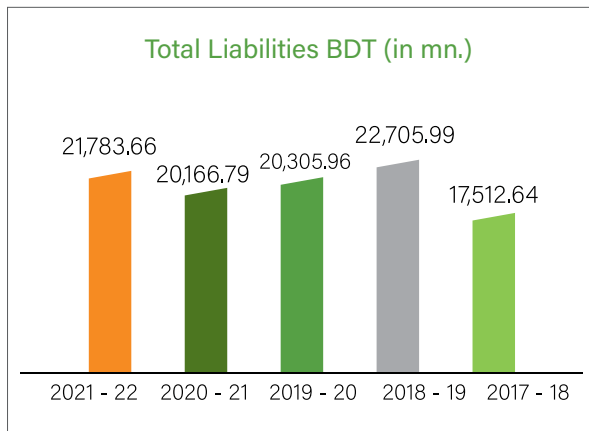
Paid Up Capital BDT (in mn.)



Share holder's Equity BDT (in mn.)



# Graphical Presentation





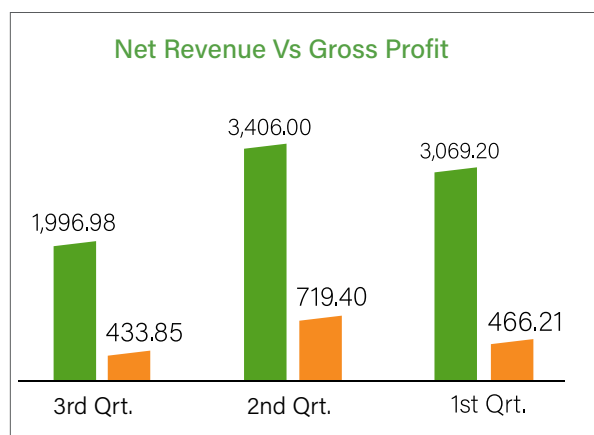
# Performance of Quaterly Fs 21- 22

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.

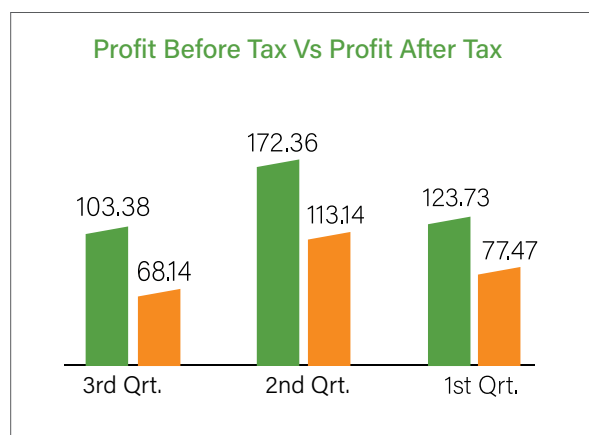
The quarterly financial statements have submitted to regulatory agencies of the capital market as per the provision within the time frame and each quarterly financial statement duly disclosed and uploaded in the website of the company. The key financial indicators for each quarter shown as follows:

Finger in BDT million

Particular	1st Quarter (July 21-Sep 21)	2nd Quarter (Oct 21-Dec 21)	3rd Quarter (Jan 22-Mar 22)
Net Revenue	1,996.98	3,406.00	3,069.20
Gross Profit	433.85	719.40	466.21
Profit Before Tax	103.38	172.36	123.73
Profit After Tax	68.14	113.14	77.47
Retained Earnings	2,654.58	2,772.66	2,646.52
Earnings Per share	0.39	0.65	0.45
Net Asset Values /Share	46.22	46.88	46.12
Net Operating Cash Flow/Share	3.43	9.25	12.49

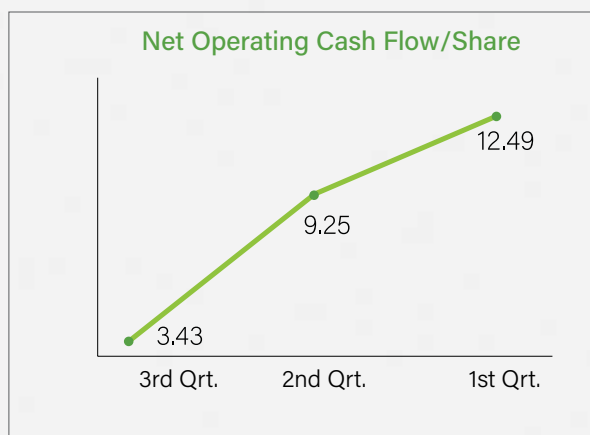
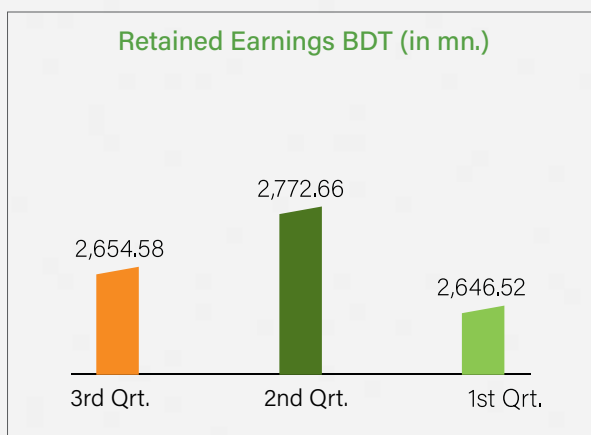
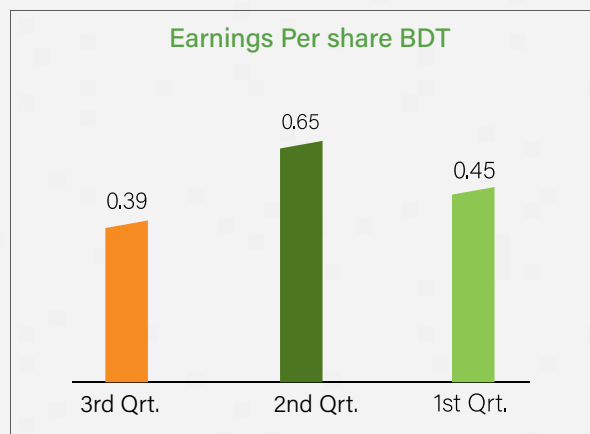
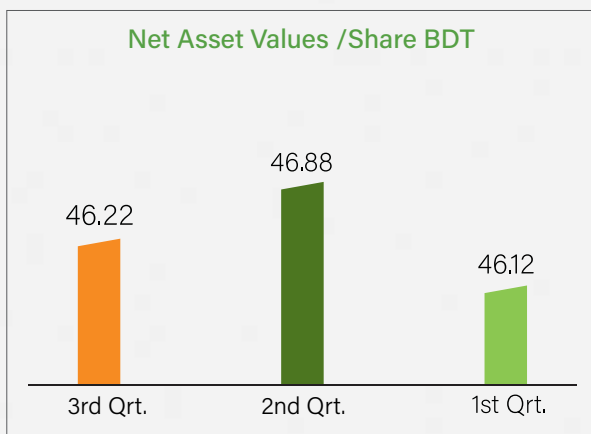


- Net Revenue BDT ( in mn.)
- Gross Profit BDT ( in mn.)

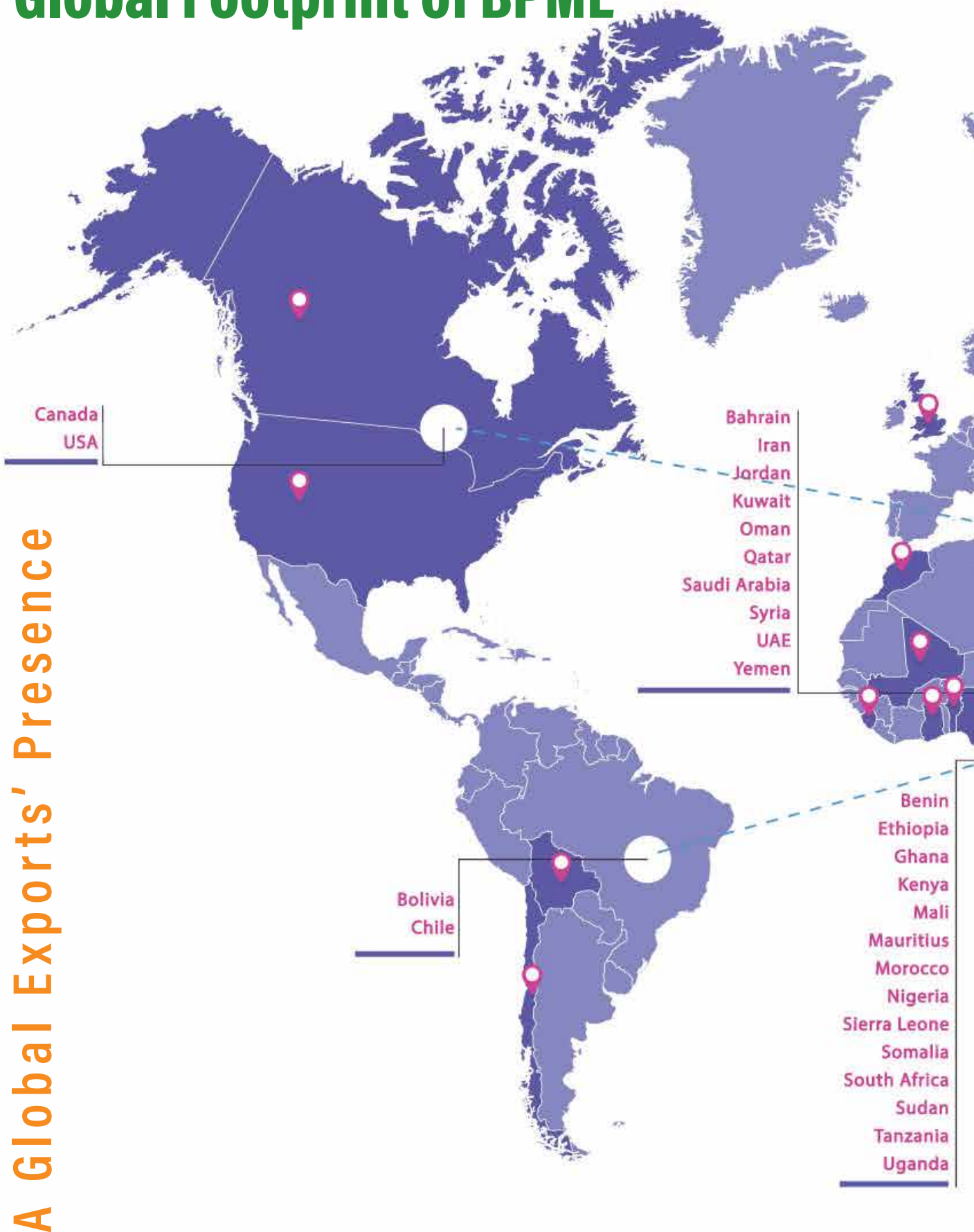


- Profit Before Tax BDT ( in mn.)
- Profit After Tax BDT ( in mn.)





# Global Footprint of BPML



A Global Exports' Presence







# বসুন্ধরা বেবি ডায়াপার

ছোট সোনামন্দির  
প্রতিটি মুহূর্ত হোক  
আরামদায়ক ও সুরক্ষিত



SCAN & SHARE  
your moments



f /BashundharaDiaper



Bashundhara Paper Mills Ltd.

# LEADERSHIP



"Governance, as well as the good governance are the sets of the vision, values and attitude of a business organization. It not just about ensuring financial success and longevity also about guiding and supporting the character of the business. To uphold the business values and reconfirm the achievement of the organizational goal, the contribution and the effectiveness of good governance is undeniable."

- Ahmed Akbar Sobhan  
Chairman  
Bashundhara Paper Mills Limited



# Message from Chairman

Dear Shareholders,

It is a great honor and I am delighted to welcome you in our annual report for the year ended June, 2022 and an auspicious occasion of the 29th Annual General Meeting of Bashundhara Paper Mills Limited. I am proud of your continuous association with us.

Keeping in back of our mind the importance of governances the Bashundhara Paper Mills Limited has paying its highest concentration on it, because we believe the governance, as well as the good governance are the sets of the vision, values and attitude of a business organization. It not just about ensuring financial success and longevity also about guiding and supporting the character of the business. To up hold the business values and reconfirm the achievement of the organizational goal, the contribution and the effectiveness of good governance is undeniable.

To recover the effect of unpredictable wind of global pandemic, your company engaged all its efforts to overcome the global challenges. Despite the victory against nature, a new economic recession and crisis caused by the present world political unrest has emerged as a new challenge in front in our company. 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.

Already, we ensured the standard of good corporate governance by transparency and accountably with the cooperation of our vigorous management team and loyal employees. In spite of many limitations the management team pays its highest attention and due diligence in regulatory and legal stances obligations which are the prove of capability of the company and standards of ethical practices.

The Board and management team paying its highest attention to develop the quality of products with an affordable price for all segments of our customers. With the cooperation of 3,670 nos. active and unrelenting human capital, the company has been increased 21.06% revenue growth then previous year. 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 as well.

We are looking forward to another year ahead as we work together to achieve an even more resilient performance in the trail of continuing challenges and opportunities left behind by the pandemic. We believe 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. I am excited about the future and am convinced that with a clearer focus and better execution, we will deliver a new era of success.

Finally, I like to take this opportunity to express my gratitude to all our dedicated employees, business partners, suppliers, shareholders, regulatory authorities and to the government for their dependable support and cooperation to reach such a position. I also like to extended my thanks to the visionary members of the Board of Directors for their enormous supports and guidance to move forward and make meaning full the group moto "For the people for the Country".

May Allah bless us all.

Sd/-

**Ahmed Akbar Sobhan**  
Chairman





"Believing on - Growth with Green Globalization" we are emphasizing on how to refine our water, our steam, and make more environmentally friendly. We have now made our paper factories have zero discharge and for all the machines to be close-looped. This is also to be noted that - the day we are born, we are given a piece of paper. The day we die, we are given a piece of paper. For a sustainable eco-friendly world, the paper's has bright potential to replace plastic."

- Safwan Sobhan

Managing Director  
Bashundhara Paper Mills Limited



# Managing Director's Review

## Dear Shareholders,

With the challenge, with the efficiency and discovering the business opportunity the Bashundhara Paper Mills Limited has stepped in 29 years in the paper industry in Bangladesh, meanwhile the company experienced with fifth year in the capital Market of the country. By this time BPML has achieved immense appreciation as a compliant company from its stakeholders and regulatory agencies and the company has confidently addressed all necessary measures to protect the interest of the all stakeholders and the sustainable stable growth and positive returns as well.

The aftermath effect of global pandemic over the past two financial years still exists. The economy is yet to be rebuilt both at home and abroad. Moreover, due to instability the world politics, the business of this country has fall in to extreme challenge. The companies of this country are making relentless efforts to overcome all the limitations and trying to create a normal business environment. Our company is also working hard to deal with this changing situation.

Bangladesh represents an excellent potential market for exports. And confirmed in 2021 it will graduate from the status of a Least Developed Country in 2026. Bangladesh's economy has grown 7.25% in the outgoing fiscal year of 2021-22, powered by an expansion of manufacturing activities, and enjoyed consistent annual GDP growth of over 6% since 2005. The business of paper has drastically changed in recent decades. While the demand for A4 paper has reduced but observed an increase in the demand for industrial grade packaging paper, for tissues and for specialized grade paper. We are upgrading our machines in such a way that plates, cups, straws, knives, forks, all of those sorts of products, can be made with different paper. This will be the key raw material for one-time use materials, as plastic is going to be banned in Europe. This is also to be noted that - the day we are born, we are given a piece of paper. The day we die, we are given a piece of paper. For a sustainable eco-friendly world, the paper's has bright potential to replace plastic.

Furthermore, the global carbon emissions are now a critical capital issue for our habitable world, for these emissions the global climate has been recklessly affected including increase the global warming. The present government of Bangladesh has raised a strong voice in domestic and international forum to protect the environment. In this context the manufacturing business such as paper mills is also accountable to protect environment equally. Believing on "Growth with Green Globalization" we are emphasizing how to refine our water, our steam, and make more environmentally friendly. We have now made our paper factories have zero discharge and for all the machines to be close-looped.

However, despite the aftermath of pandemic and global political unrest, the BPML has contributed an industry highest BDT 1,309.66 million to the national exchequer during the year. The Net Profit After Tax has stood in 23.50% growth by adding BDT 125.35 million then previous year. On the other hand, our export revenue has increased around 18.31% by adding BDT 183.39 million comparing to previous year. With a meaningful growth during the year the EPS has improved by 23.20% and the NAV 57.23% then previous year. As a social corporate social responsibility our company has expended more than BDT 10.10 million towards society.

Beside of extensive financial performance some core products of this company Bashundhara Paper, Bashundhara Tissue, Bashundhara Diapant has awards as the honor of excellence "Superbrand" previously. During the year Bashundhara Tissue has awarded as "Best Brand Award" consecutively four times and awarded "Best Communication Award-2022" for the most creative use of media category also.

On behalf of this company, we offer a sustainable career path for our employees and instituted a system of research and development as well as necessary training that aims to constantly improve the working mechanism and quality of products. We allow our employees to work from anywhere and believes that, this flexibility is important to

keep employees connected to work and follow their interests at the same time which are able to aligned with our common goals.

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 a long-term shareholders value. We believe by the best compliance practice, utilize of the resources and 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. In conclusion, we 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, specially in such challenging and uncertain times. My sincere appreciation goes to our Chairman and Board of Directors, for their wisdom, leadership and guidance. I am grateful to all committee members, management team members for their kind cooperation. I am very thankful to my efficient colleagues for their sincerity, commitment and integrity towards their own responsibility while achieved the common goal of our beloved company- Bashundhara Paper Mills Limited.

Thanking you all for your kind concentration on us.

Sd/-  
**Safwan Sobhan**  
Managing Director



# Board of Directors

01

> **Chairman**  
Mr. Ahmed Akbar Sobhan

02

> **Directors**  
Mr. Md. Imrul Hassan  
Mr. Md. Nazmul Alam Bhuiyan  
Nominated by: East West Property Development (Pvt.) Ltd.

03

> **Independent Director**  
Mr. Khawaja Ahmedur Rahman

04

> **Managing Director**  
Mr. Safwan Sobhan

> **Company Secretary**  
Mr. M. Mazedul Islam



# Directors' Profile

## Ahmed Akbar Sobhan

Chairman

Joining Date: 28 September, 1993

Mr. Ahmed Akbar Sobhan is one of the sponsor Director and presently holding the position of Chairman of Bashundhara Paper Mills Limited. He was born on February 15, 1952 in a well known Muslim family at Dhaka.

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

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

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

Mr. Sobhan received many accolades at home and abroad, in recognition of his excellent business leadership, performance and remarkable contributions in the socio-economic fields, international understanding, conflict resolution and bringing peace, including President's Gold Medal in 1994, Kazi Nazrul Islam National Award in 1992, Moulana Bhasani National Award in 1993,

Arthakantha Business Award in 2001, USA Summit International Award in 2002 and Janata Bank Prime Customer Award in 2002 and Agrani Bank Best Client Award in 2010. He was a sports man and now a sponsor of sports in the country. He is the owner of Bashundhara Kings, a leading Sports Club of Bangladesh.

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

## Md. Imrul Hassan

Director

Joining Date: 28 February, 2016

Mr. Md. 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. He is the President of Bashundhara Kings which is the most famous and elected as the Vice President of Executive Committee of Bangladesh Football Federation.



## Md. Nazmul Alam Bhuiyan

Director

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

Joining Date: 28 February, 2016

East West Property Development (Pvt.) Ltd. (EWPDP) 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. EWPDP 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, EWPDP 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.

EWPDP 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.

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

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

## Khawaja Ahmedur Rahman

Independent Director

Joining Date: 24 June, 2017

Mr. Khawaja Ahmedur Rahman (69) 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 2017 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 the Board of Directors of this company.

## Safwan Sobhan

Managing Director

Joining Date: 24 April, 2016

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 got his bachelor's degree in business administration. He established various corporate houses at home and abroad and earned laurels for his leadership qualities. He is also Director of Bashundhara LP Gas Ltd., City Multi Agricultural Company Ltd., Bashundhara Horticulture Ltd., Bashundhara Infrastructure Development Company Ltd., Bashundhara Logistics Ltd., Bashundhara Airways Ltd., Bashundhara Amusement Park Ltd., Bashundhara Multi Paper Industries Ltd., Bashundhara Agricultural Products Ltd., Toggi Shipping & Logistics Ltd. Bashundhara Electricity Ltd., Bashundhara Industrial Economic Zone Ltd. Bashundhara Multi Chemical Industries Ltd. Bashundhara Pharma API Ltd., and many other companies of Bashundhara Group. He is also a Trustee of Bashundhara Foundation.

Mr. Safwan is a keen sportsman and a sports loving personality. He Has been involved in various activities to promote sports activities in this country and abroad. He is now the Managing Director of

Toggi Sports Ltd. and the Chairman of the Rangpur Riders, the Champion Cricket Team in the prestigious Bangladesh Premier League (BPL) - 2017.

He is the present President of Lt. Sheikh Jamal Dhanmondi Club Ltd. He is also one of the valued patron of the Army Golf Club, Dhaka and a Member of the Dhaka Club Ltd. He is selected as the CIP of Bangladesh for his business activities and contribution to national exchequer. He was honored with the "AsiaOne Global Asian" of the Year 2019-2020. Also honored with 'Asia's Greatest Leader' for the year 2020-2021 award for his outstanding contribution to the industry and society. He is the first elected President of Bangladesh Economic Zone Investors Association.

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





# Director's Report to Shareholders

## Dear Respected Members,

On behalf of the Bashundhara Paper Mills Limited the Board of Directors, would like to take the pleasure to welcome you all in the 29th Annual General Meeting of your company through the Digital Platform by the grace of almighty Allaha. It is a privilege for us to present the Directors' Report and the Audited Financial Statements for the Financial Year 2021-2022 along with the notes to the accounts as well as the Statutory Auditors' Report thereon of the company for your kind consideration and adoption.

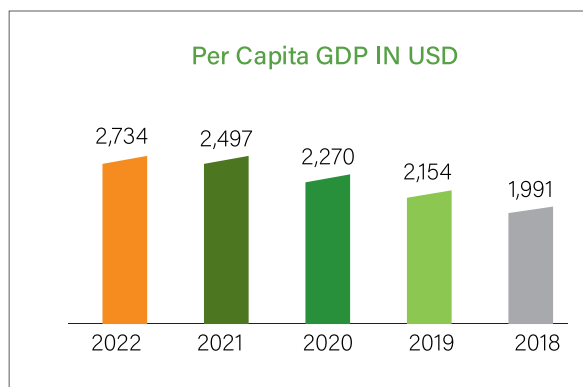
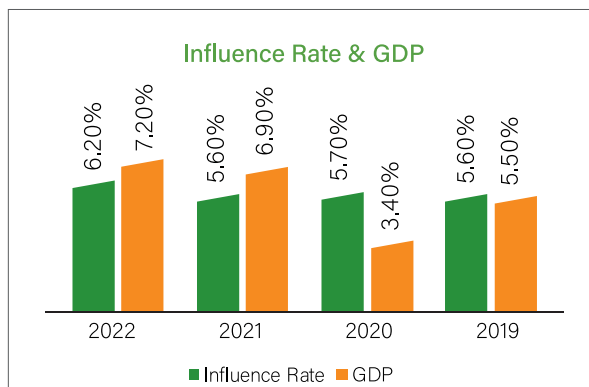
## Outlook of Global Economy

The Global economic activity is experiencing a broad-based and sharper than expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering Covid -19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 % in 2021 to 3.2 % in 2022 and 2.7 % in 2023. The inflation is forecast to rise from 4.7 % in 2021 to 8.8 % in 2022 but to decline to 6.5 % in 2023 and to 4.1 % by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation according to IMF.

## Outlook of Bangladesh Economy

Bangladesh, like many other countries, faces global economic challenges. Rising commodity prices and a surge in imports in the second half of FY22 resulted in a widening Balance of Payments (BoP) deficit and accelerating inflation. Foreign exchange reserves declined as a result, reaching USD 38.9 billion by the end of August 2022. Real GDP growth is expected to slow in FY23 as import suppression measures disrupt economic activity. To achieve its vision of attaining upper middle-income status by 2031, Bangladesh government trying to create jobs and employment opportunities through a competitive business environment, increase human capital and build a skilled labor force, build efficient infrastructure, and establish a policy environment that attracts private investment.

Meanwhile, Bangladesh government has set a growth target of 7.5% for the current fiscal year. And also take many initiatives to addressing infrastructure gaps would accelerate growth and addressing vulnerability to climate change and natural disasters will help Bangladesh to continue to build resilience to future shocks. Pivoting towards green growth would support the sustainability of development outcomes for the next generation. Bangladesh is now one of the emerging economies of the world. The growth of this economy has a positive trend by a digit.



Source: IMF, World Economic Outlook database: October 2022



## Outlook of Paper Industry in Bangladesh

### Papers and paper products –

Over the last decade, Bangladesh has made a notable progress in expanding access to education. In a country of over 18 million primary school students, Bangladesh has achieved near universal net primary enrollment, with roughly 98% children of primary school age enrolling in school, where the literacy rate in 2022 has risen to 74.66% (as per the preliminary report of “Population and Housing Census 2022”). Annually, a total of 24 mn. students are in up to higher secondary level, where regular educational and examination adheres a big part of monthly total 50,000 MT here in overall writing and printing pre-covid time market. Nevertheless, books printed by the National Curriculum and Textbook Board (NCTB) for free distribution among school students require over 60,000 MT of paper annually. Exercise Books market is also estimated as 45,000 MT annually. Again, in 2020, Bangladesh exported a total of USD 41.2 billion, making it the number 52 exporter in the world. In last 5 reported years, the exports of Bangladesh have grown by USD 4.41 billion (from USD 36.8 billion in 2015 to USD 41.2 billion in 2020). Packaging paper’s market is growing fast indicating huge prospects for local mills. Currently, approx. 1.1 mn. MT is met with imported paper and packaging materials where annually 1.5 mn. MT paper products are being produced locally and writing/ printing paper constitutes 70% of the total market. So, to complement with this information, it is of no doubt why the market share of packaging papers has risen to the level-

Sl. no.	Category	Market Size 2022 (MT Yearly)
1.	Folding Box Board	60,000
2.	Art Card	36,000
3.	Liner Paper	2,40,000
4.	Media Paper	3,60,000
5.	Duplex Box Board	1,20,000
6.	Paper Bag	50,000
7.	Sticker Paper	30,000
	<b>Total</b>	<b>8,96,000</b>

Also, with the rising educated community, it has gradually become essential to consume paper products. Industry-insiders say a huge amount of copier paper or offset paper is used for print and photocopy at the offices and academic purposes, having a market of BDT 6.0 billion a year. Yet, diverse export opportunities are widening with large portion of

global suppliers e.g. China are taking off their investments from paper due to rising production cost and environmental concern. 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 –

With the biggest production capacity, the Bashundhara Tissue brand has evolved as the market leader in the Country and more than it has stepped into the international markets with confidence to win the heart of the global hygiene lovers. Since its inception in 2000, the cultural change towards hygienic lifestyle sharply happened due to wide-scale distribution and acceptance of Bashundhara Tissue across Bangladesh.

Today Bashundhara Tissue is quite visible in every nook and corner of Bangladesh, be it a small Tong to Luxury Department Store, thanks to its relentless production at enormous capacity and nationwide distribution network of over 400 exclusive and dedicated distributors via own logistics support over 500 vehicles. By dint of all these, Bashundhara Tissue has become the most preferred choice by the consumers as amongst the presence of 10/11 other local competitor brands, Bashundhara Tissue is still persistent to still retain over 50% local market share.

In 2021, urban population of Bangladesh was 38.9 % that has increased at an average annual rate of 3.25% from 1972. Tissue paper usage in Bangladesh is estimated with 41kg in 2018 which is though lower in comparison to neighboring countries, that calls for a brighter future specially in the urban landscape where mounting purchase-ability and improved lifestyles have become key parameters for growth. The changing toilet etiquette, especially alongside rising incomes and urbanization, can open a wider window of opportunity for tissue manufacturers in Bangladesh. However, success is predicated on manufacturers’ understanding of deeply rooted traditions and the adoption of marketing strategies that work alongside

these traditions. Some key stats that will showcase the scenario –

- Market Size: BDT 15 billion
- 80% of people (urban & rural mix) use tissue paper once a month
- Over 1 mil. families use toilet tissue rolls every week
- 25,000 restaurants consume 10 mil. packs of Paper Napkin annually
- 10,000MT (2017) Tissue produced, having 183% staggering growths in last 10 years
- Around 1,238 MT of tissue paper being are exported annually to 23 countries in Asia and Africa.

During pandemic, the sheer insurgence of demand of hygiene products, the requirements of Tissue rose to many folds and export also found an overwhelming fit specially across the region. Bashundhara Tissue's comprehensive and contemporary investments in Tissue manufacturing has been rightly synergistic thereof.

### Hygiene and allied products

The air of changing lifestyle is now in Bangladesh and it is moving upward quite rapidly. Like many other, Babycare products increasingly become popular across the economy, surely Baby Diaper product is the front-runner. BPML has been leading the Super Absorbent, Ultra-soft, Comfortable and 'easy to wear' Pant-style Diaper market with "Bashundhara Diapant", just within few months of its launching in July 2017. The demand for imported diapers is getting ceased to 40% in 2019 whereas Diapers from local manufacturers are catering to over 60% of the local demand. It is presumed that Diapant has been leading with a 40% market share in the overall Diaper industry.

Currently, the baby diaper market size grows annually at 20% to 30% with net annual worth BDT 600 crore annually. According to a World Health Organization report, Bangladesh will be the seventh-largest consumer of baby diapers in the world by 2025 as the domestic market for baby diapers keeps expanding fast, due to the rising purchasing power of parents and a familiarity with the comfort of using diapers for newborns. This huge market has been dominated by several foreign brands including the likes of Pampers, Molfix, Huggies, and MamyPoko for a long time.

The composition of baby diaper has evolved in past few decades. The technology being used has greatly changed; the size has become smaller yet more

efficient. Economic growth spurred the increased use of diapers in Bangladesh. Increase in birth rate, rapid urbanization, improvement in socioeconomic condition, emphasis on hygiene factors by mothers, and convenience and prevention of germs have led to such a tremendous expansion in Bangladesh's market. Growing disposable income and an expanding urban middle class also bolstered the sales of nonessential items. As a result, categories such as beauty and personal care products (CAGR 15 per cent over 2009–2013), home care (CAGR 12 per cent), and tissue and hygiene (CAGR 20 per cent) also performed strongly (Euromonitor International, 2017). The ever-increasing participation of women in the workforce can be deemed significant in relation to the growth of the market.

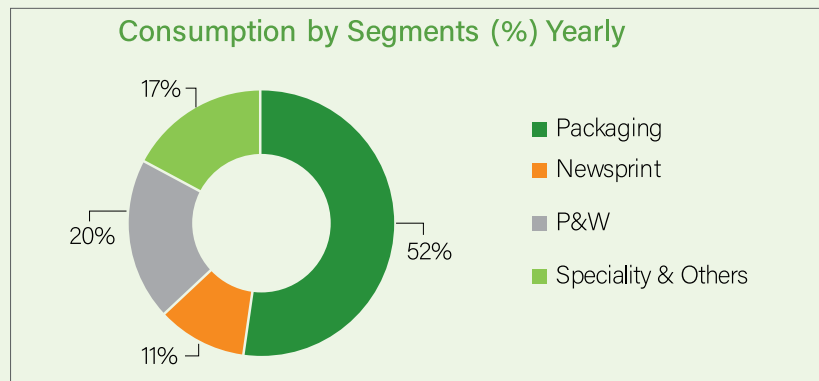
In Bangladesh, a handful of local brands have joined alongside the numerous foreign brands that had been in the market for producing diapers. Despite higher purchasing costs associated with foreign diaper brands, consumers continue to largely rely on them. Such consumers' preference can be linked to lower leakage protection capability of the local diaper brands. Yet, local manufacturers are gradually gaining a foothold in the growing baby diaper market through its low price and good quality offerings amid rigorous competition with the imported brands.

### 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 45,000 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.



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

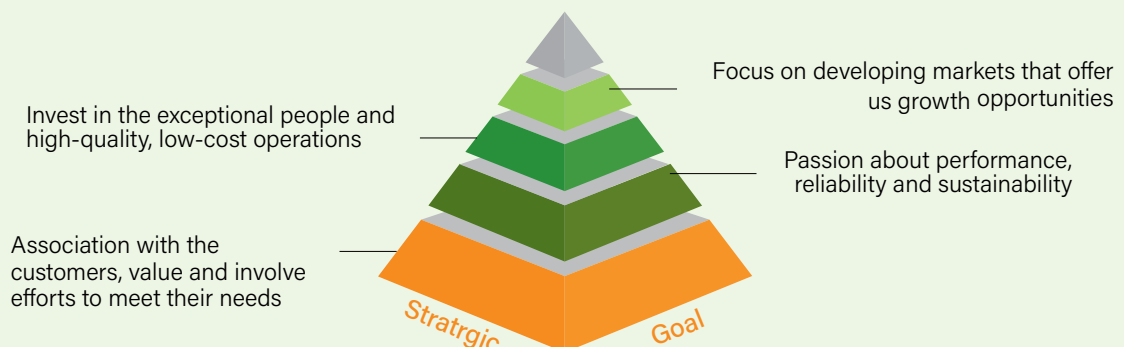
The core objective for any business organization to maximize the profit and ensure the return on investment. Beside of this the BPML aim is to continue as the market leader in this sector of this country. The company also set its object to achieve a sustainable position and increase the value of the business for its sponsors and as well as all the stakeholders. The company has also emphasized 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.

### Business Strategy of the Company

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. BPML has got three industrial units, while BMPIL has got its only unit – all are equipped with the industry-best state-of-the-art facilities and are regularly going through meticulously opted refurbishment processes to cope with achieving 'scale of economies' and 'resource conservation' especially 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.

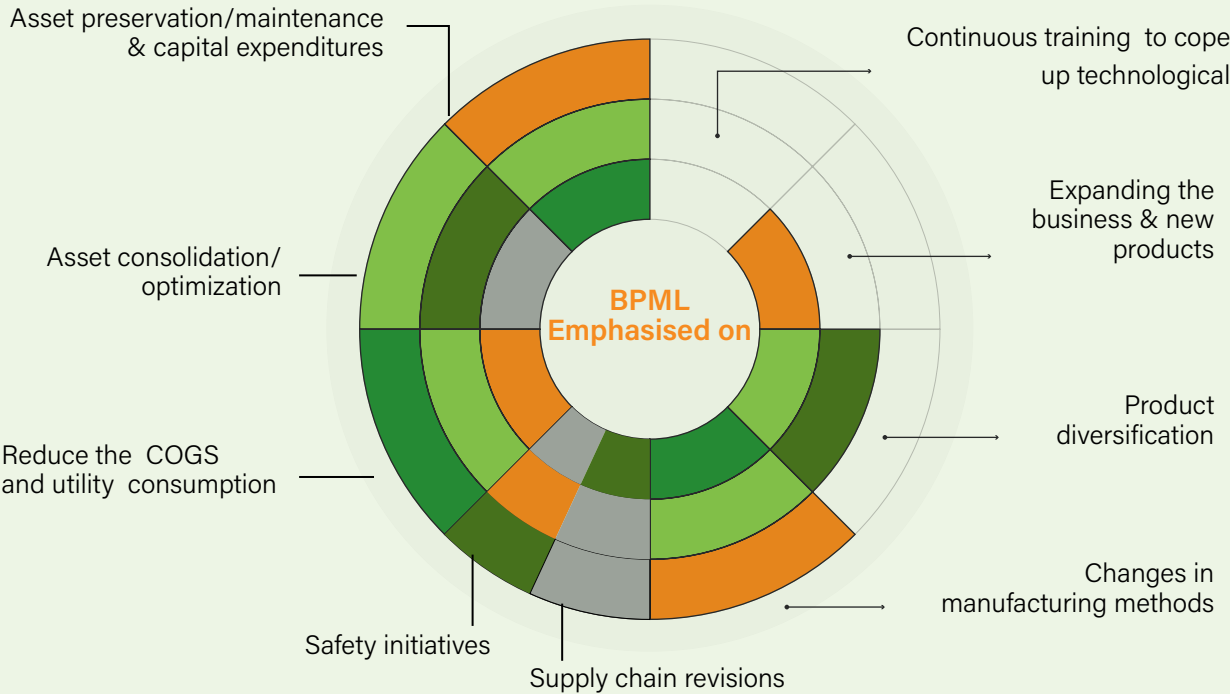
### Strategic Goal of the Company

The industry leader of 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:





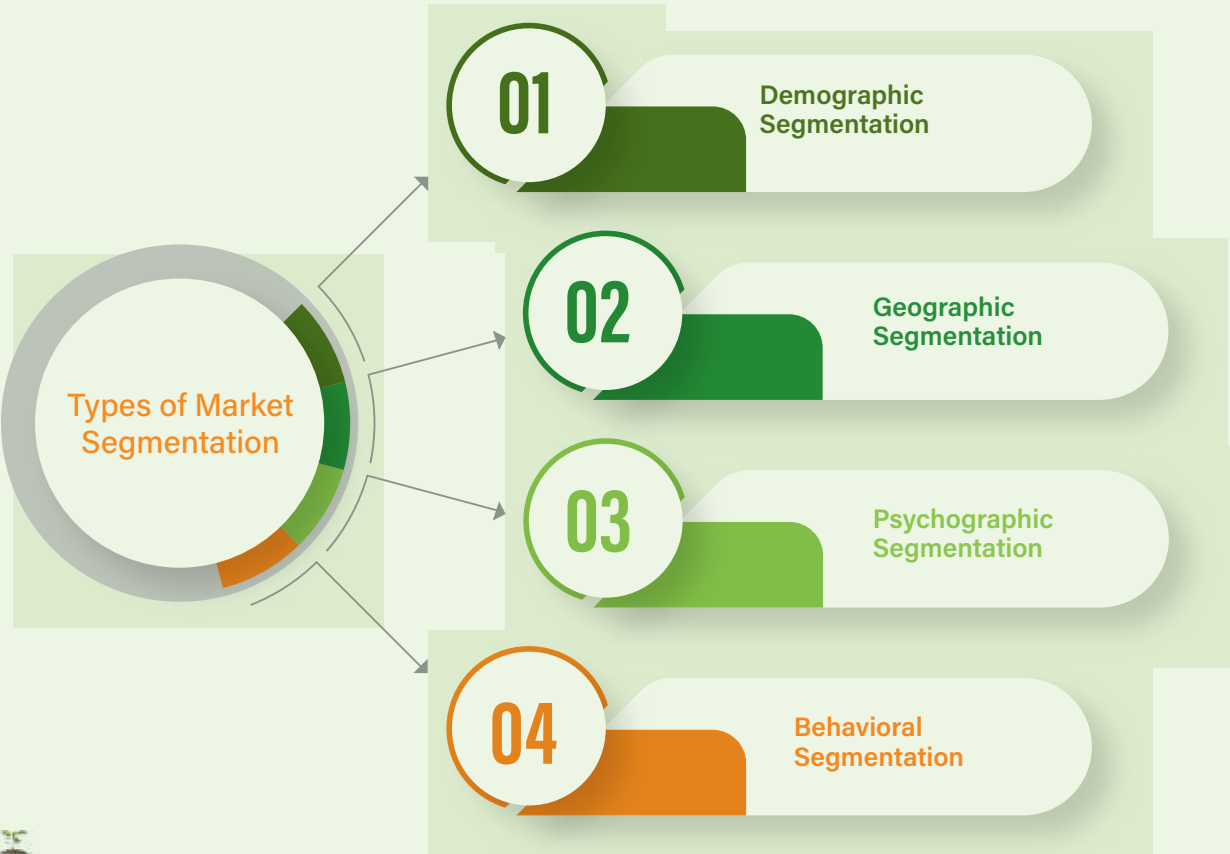
There's a saying that failing to effectively plan is planning to fail. As competition increases and belts tighten in the paper sector this Company in the production and business operation put emphasis on:



**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.

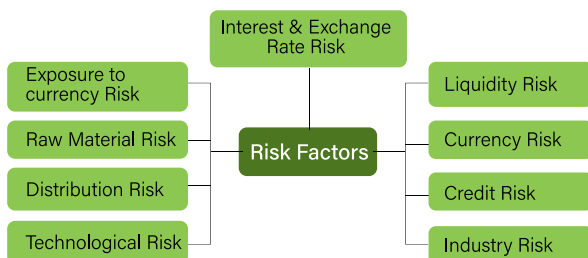
### Consumers Segmentation-

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

To ensure proper supply of imported raw materials for large volume of production facilities the Company has

to keep huge inventory putting pressure on liquidity position to minimize the raw material management risk. The Management of the Company has regularly upgraded its technology and factory set up during the last five years conducted to smooth operation of the factory.

However, this Company has put its special emphasis on the risk management matters. The system has been designed to face the challenges of the risk factors involved in this sector. The company has designed its operational plan covering the risk management by identifying and characterizing the areas of risks and threats at the very early stages and to set business strategies, take adequate and measures on proper time either to remove, or limit those as far as possible. *(the explanation of financial terms also mentioned in Note no. 52 of the financial statements. Page-153)*

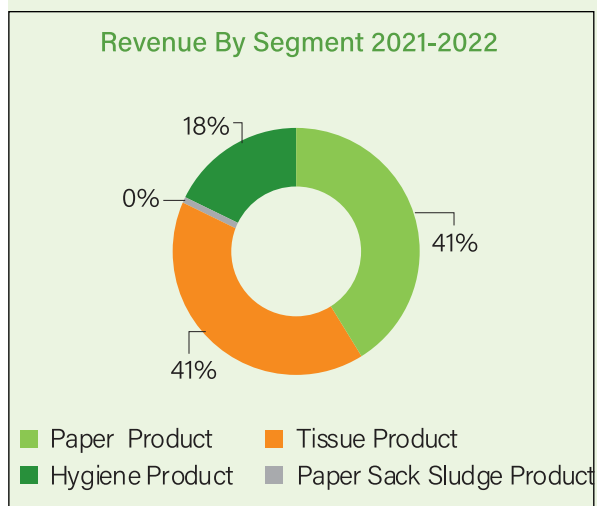
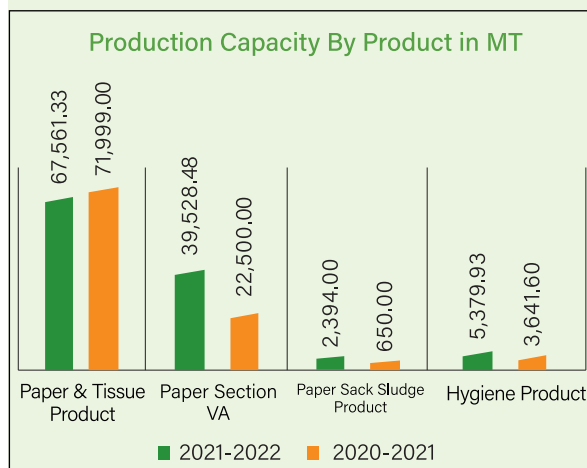
### Production and Sales

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. The product wise production and sales has mentioned in *(Note No. 26 and 40 respectively of the financial statements Page-140 and 150)*

In spite of after effect challenge of Covid-19 and global political instability the product line of this company was on full swing and able to produce 1,14,863 MT finished goods of papers, sack, sludge, board & tissue papers and in the hygiene segment the production was around 12,634 MT during the

period under review which was the 69% average of production capacity.



In FY 2021-2022, the company was able to earn the net revenue by sale of paper and paper products amounting to BDT 11,237.96 million which was BDT 9,282 million in the FY 2020-2021 which was increased by 21.06% 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 18.31% than previous year and the export was 11% considering domestic and foreign revenue. With a meaningful growth during the year the EPS has improved by 23.20% and the NAV 57.23% then previous year.

### Share Capital

The authorized capital of the company in BDT 5,000.00 million. The issued, subscribed and paid-up share capital of the company is BDT 1,737.91 which has been the accumulated total by the Sponsors, Directors, Institutional and General Public and the face value of share BDT 10/- each.

### Performance of the Company

To make the tag line meaningful "Growth with green Globalization" 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.

### Quarterly Review's

In consequence of global economic crisis, 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 key indicators are mentioned below:

BDT in million

Particulars	1st Quarter	2nd Quarter	3rd Quarter
	(July 21-Sep 21)	(Oct 21-Dec 21)	(Jan 22-Mar 22)
Net Revenue	1,996.98	3,406.00	3,069.20
Cost of Goods Sold	1,563.13	4,249.73	6,852.72
Gross Profit	433.85	719.4	466.21
Profit After Tax	68.14	113.14	77.47
Retained Earnings	2,654.58	2,772.66	2,646.52
Earnings per Share	0.39	0.65	0.45
Net Asset Values /Share	46.22	46.88	46.12
Net Operating Cash Flow/Share	3.43	9.25	12.49

To recover the financial position, the Board of Directors have taken many pragmatic decisions and reviewed the Company's financial position and performance, including consideration of the anticipated impact after effect of the 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 2021-2022, 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 –

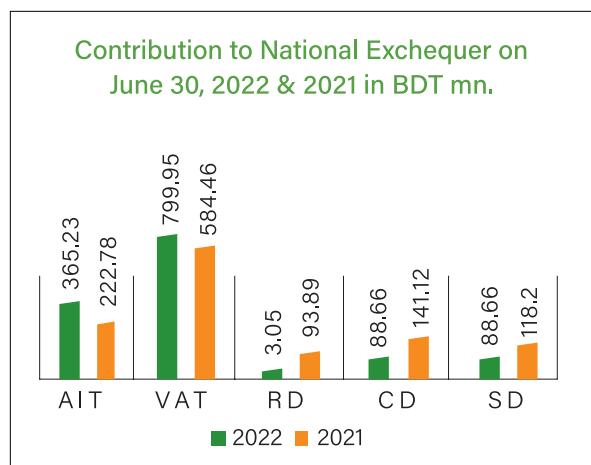
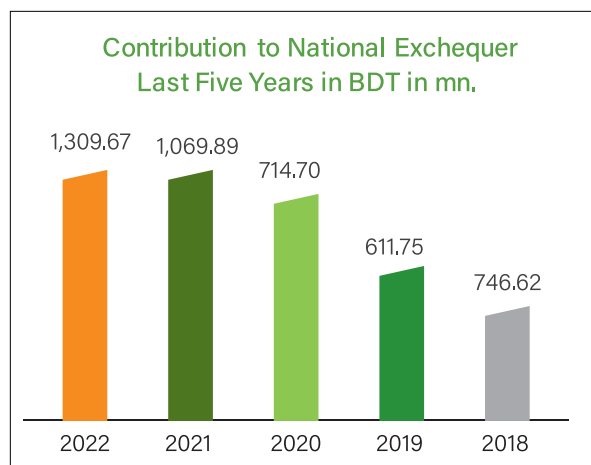
Particulars	2021-2022		2020-2021	
	BDT in mn.	% Change	BDT in mn.	% Change
Net Revenue	11,237.96	+21.06%	9,282.85	+8.64%
Cost of Goods Sold	8,987.61	+22.11%	7,360.02	+10.39%
Gross Profit	2,250.35	+17.03%	1,922.83	+2.40%
Net Profit after Tax	507.84	+23.50%	4,11.19	+43.85%
Retained Earnings	2,893.52	+12.09%	2,581.50	+18.60%
Earnings Per share	2.92	+23.21%	2.37	+44.51%
Net Asset Values /Share	74.31	+62.21%	45.81	+2.26%
Net Operating Cash Flow/Share	11.45	-0.26%	11.48	-53.78%



Due to increase the operating expenses and price hick trend of raw materials the NOCF/ share has a slight 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.

### Contribution to the National Exchequer

BPML has been recognized by the National Board of Revenue as the highest 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 3,670nos. 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 2021-2022, the BPML has contributed an amount of BDT 1,309.66 million in the form of VAT, Advance Income Tax, Customs Duties, Supplementary Duty, VAT, and Regulatory Duty. The contribution to the national exchequer was equivalent to 11.65% of the total sales revenue of the company during the period under review which is 0.38% 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 mentioned in FS Note no. 3.25. 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. [Page-135, 136 & 138.](#)

### 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

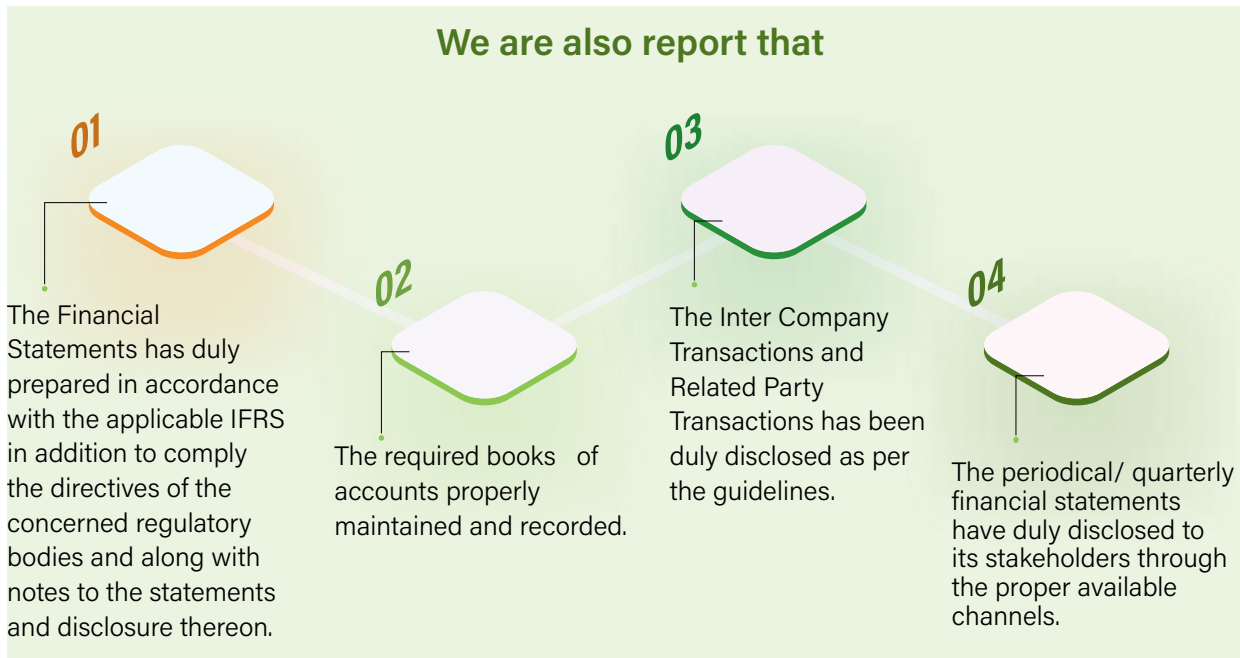
The company in its business efforts and practices put special care to compliances to laws, protection and preservation of interests of the stakeholders by following the code of conduct for ethical behavior, accountability and transparency. The details information on the related party transactions has been disclosed in the FS Note no. 38 of the financial statement hereinafter in this report.

### Reporting of Financial Statements

We would like to notice the financial statements of the company has prepared and audited as on 30 June 2022 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.

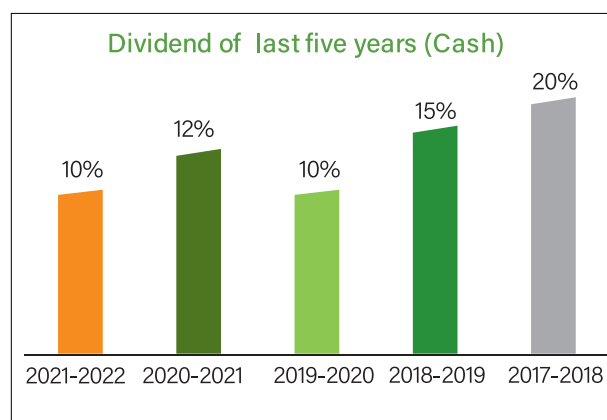


#### Dividend Policy

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 10% Cash dividend for all the ordinary/general shareholders of this company for the period ended on 30 June 2022.

The Record Date of BPML for 29th AGM has been fixed on **22 November 2022**. 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 financial statements. Page-151*



#### Valued 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 10,133nos. as on the Record Date of the company on 22/11/2022. 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.

- i. 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 2021-2022. The resume of the Chairman and the Managing Director are appended at the beginning of this annual report.

SL. No.	Name of Shareholders	As on 30-Jun-2022	
		Nos. of Shares	% of Share
01.	Mr. Ahmed Akbar Sobhan	40,00,000	2.30%
02.	Ms. Afroza Begum	5,885,200	3.39%
03.	Mr. Sadat Sobhan	8,203,000	4.72%
04.	Mr. Safiat Sobhan	8,203,000	4.72%
05.	Mr. Sayem Sobhan	8,203,000	4.72%
06.	Mr. Safwan Sobhan	8,203,000	4.72%
07.	Mr. Md. Imrul Hassan	40,02,000	2.30%
08.	Mr. Md. Nazmul Alam Bhuiyan, nominated by EWPD	10,10,50,575	58.14%
09.	General Public and Institutions	26,041,666	14.98%
<b>Total</b>		<b>1,737,914,410</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%20relation/complain%20cell)" 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 -

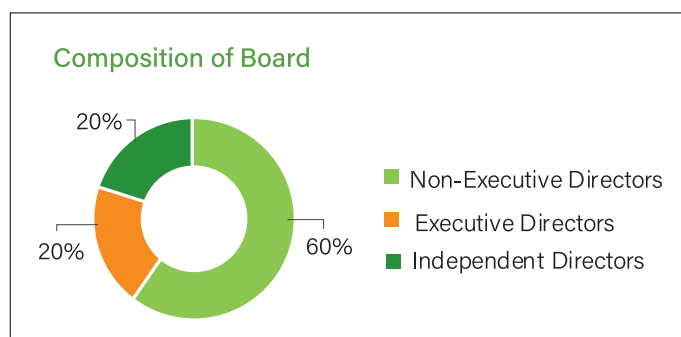
- ii. The Board of Directors of this company is fairly independent and they play role, discharge their duties and responsibilities without any interferences. The Terms of References of the Directors clearly defined. During the year under review the members of the Board of Directors of this company had discharged their duties and responsibilities independently and no matter of interference was occurred.
- iii. 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-

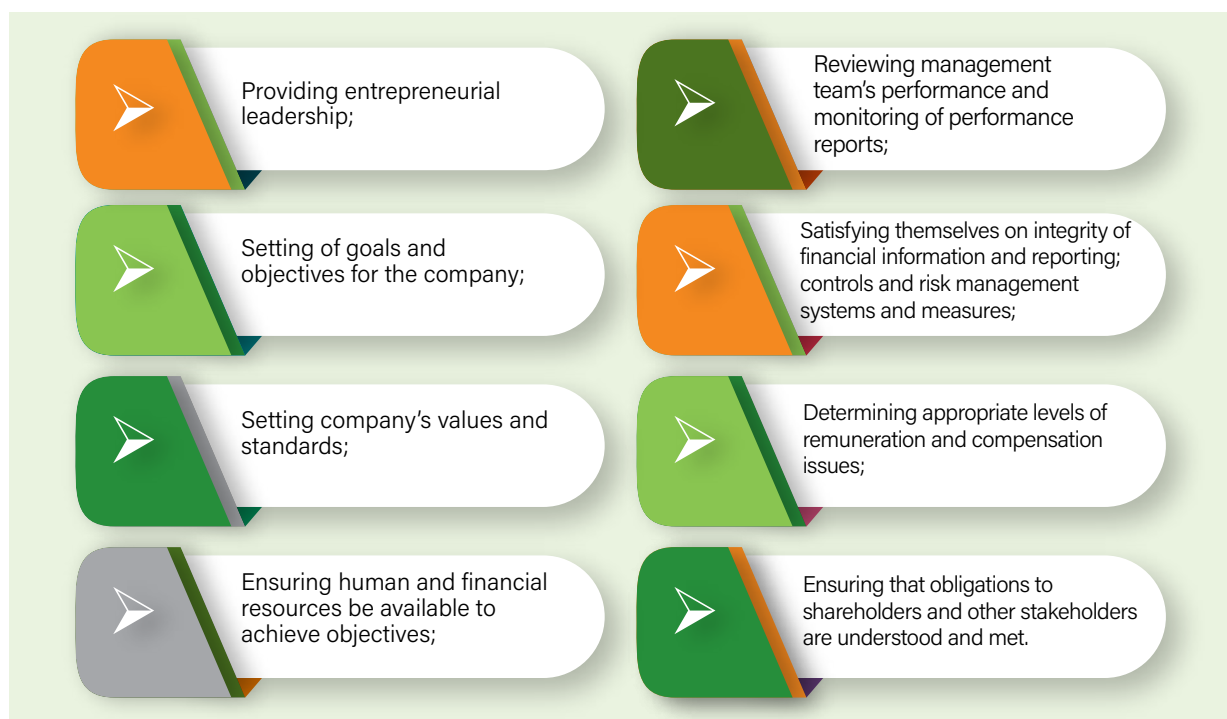
It has monitored the overall activities of the top management team of the Company including their making of appropriate operational decisions at proper time, taking necessary actions and optimizing long-term value. The Board of this company is consisted of 05 (five) nos. of directors, out of which 03 (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.



### Roles & Responsibility of the Directors-



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

### Directors' Shareholding Status

The shareholdings position of the Directors of the company as on 30 June 2022 were as follows:

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

### Directors' 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	11/10
2.	Mr. Md. Imrul Hasan	Director	11/8
3.	Mr. Md. Nazmul Alam Bhuiyan nominated by- East West Property Development (Pvt.) Ltd.	Nominated Director	11/10
4.	Mr. Khawaja Ahmedur Rahman	Independent Director	11/09
5.	Mr. Safwan Sobhan	Managing Director	11/11

#### 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 29th 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:

#### i. Mr. Md. Imrul Hassan. and ii. Mr. Md. Nazmul Alam Bhuiyan-Nominated by EWPD

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 29th 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/80dated 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, outlines 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 polices 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:

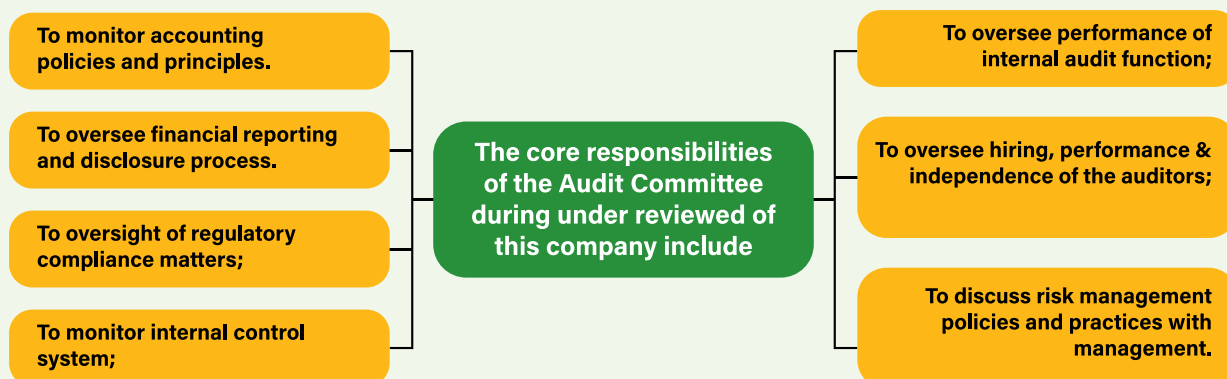


## Audit Committee

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. 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, financially literacy, ability to analyze and interpret the financial statements for effective discharging of the duties and responsibilities as the members of the Audit Committee.



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

### Nomination & Remuneration Committee

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

The committee consists with the three 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.



*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. Mohammed Kamrul Hassan, 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.

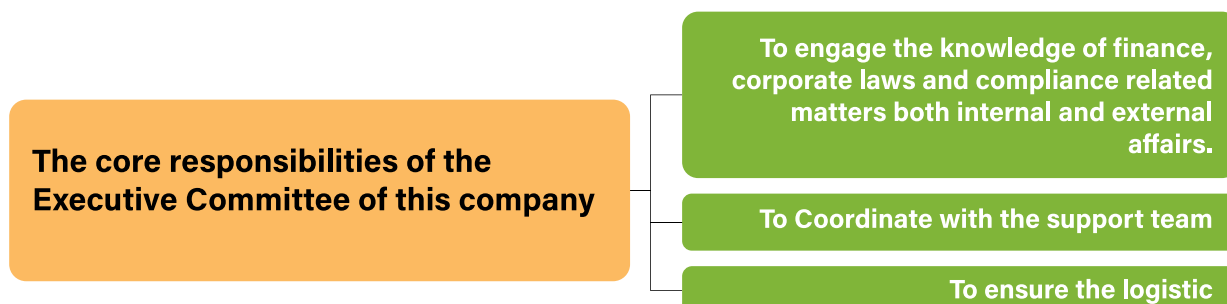


### Executive Committee

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 and risk management system.



### Statutory Auditors

The existing statutory auditors - M/S. Aziz Halim Khair Chowdhury, Chartered Accountants who were appointed in the 28th Annual General Meeting and have completed their responsibilities during the period under review and going to complete their terms for three consecutive years. In compliances of regulatory provisions, the new audit firm have to be appointed in this 29th Annual General Meeting for the next financial year for the company.

The Board of Directors of BPML has recommended for the appointment of M/S. K.M Alam & CO, Chartered Accountants for the Financial Year 2022-2023. In view of this, the Board of Directors has decided to place the matter of appointment of the Statutory Auditors of the company for the Financial Year 2022-2023 at a fee of BDT 5,00,000/- (Five Lac) including AIT & VAT for its approval by the shareholders of this company in this 29th Annual General Meeting.

### Executives' Shareholdings Status

The shareholdings position of the top Executives, Governance Officers, their spouses and children (minor) as on 30 June,2022 has been appended below:

Sl. no.	Name	Position in Company	Nos. of Shares		
			Self	Spouse	Children (minor)
1.	Mr. Safwan Sobhan	Managing Director	82,03,000	nil	nil
2.	Mr. Md. Mustafizur Rahman FCA	Deputy Managing Director	nil	nil	nil
3.	Mr. Md. Kamrul Hassan	Chief Financial Officer	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 and Compliance Framework

Bashundhara Paper Mills Ltd. has recognized the rights and privileges of its valuable stakeholders and preserve the interests of the stakeholders including financiers, customers, management, employees, government, and the society, establish board's responsibilities by clearly outlining it, establish code of conduct for ethical behavior,



establish and practice the business transparency for promoting shareholders' trust towards establishment of the good governance.



The board 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, outlines 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. Haruner Rashid and Associates, Chartered Secretaries & Management Consultants was conducted the keen investigation work on the compliance of the Code of Corporate Governance by this company during the FY 2021-2022.

Moreover, 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 Compliance Auditors - M/S. Haruner Rashid and Associates, Chartered Secretaries & Management Consultants, who were appointed in the 28th Annual General Meeting and have completed their responsibilities during the period under review. The Auditors have requested to the Board for their reappointment being they are eligible.

The Board of Directors of the company has recommended for the reappointment of M/S. Haruner Rashid and Associates, Chartered Secretaries and Management Consultants for the Financial Year 2022-2023 for compliance audit and certification on corporate governance. In view of this, the Board of Directors has decided to place the matter of reappointment of the Corporate Governance Compliance Auditors of the company for the Financial Year 2022-2023, with a fee of BDT 100,000/- (One Lac) excluding VAT for its approval by the shareholders of this company in this 29th Annual General Meeting.



## Award and Certifications

With the other award and certification the company achieved the following during the year :

- 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”, “Best Brand 2020” and “Best Brand 2021” in consecutive four years, where the brand was audited by the Nielson.
- ii Bashundhara Tissue of BPML, has been awarded “Comm Award 2022” for the most creative use of media category during the year.
- iii 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 2021-2022 the company spent around BDT 10.10 million for the society through the following sector and organization:

<b>Bashundhara Special Children Foundation</b>	<ul style="list-style-type: none"><li>• Engaged to ensure the underprivileged and physical &amp; mentally students</li></ul>
<b>Hospitals</b>	<ul style="list-style-type: none"><li>• Ibrahim Cardiac Hospital &amp; Research Institute</li><li>• Ad-Din Hospital</li></ul>
<b>Bashundhara Islamic Research Center:</b>	<ul style="list-style-type: none"><li>• Patronizing the higher Islamic Islamic Education</li></ul>
<b>Education</b>	<ul style="list-style-type: none"><li>• By providing educational materials, scholarships and other events all over the country.</li></ul>
<b>Sports</b>	<ul style="list-style-type: none"><li>• Toggi Sports Ltd. - A leading national level sports club</li><li>• Lt. Sheikh Jamal Dhanmondi Club Ltd. - Patron of the club which play in the national level football league of Bangladesh</li></ul>

## 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 2021-2022.

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

## 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's a 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 and Analysis

The Management of the Bashundhara Paper Mills Ltd. is pleased to present the Management's Discussion and Analysis for the Financial Year 2021-2022 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 2.6.3 and 3](#) of the Financial Statement.

## b) Changes in accounting policies and estimation:

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these Financial Statements 2021-2022. 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 was 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. The details of changes in accounting policies duly mentioned in [Note 2.7](#) of the Financial Statement.

## c) Comparative analysis of financial performance:

The key indicators of the financial performance stated below:

Figure in BDT mn.

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Revenue	11,238	9,283	8,544	11,039	10,821
Gross Profit	2,250	1,923	1,878	2,099	1,921
Profit Before Tax	2,744	2,407	2,385	2,540	2,214
Profit After Tax	508	411	286	292	694
Shareholders' Equity	13,070	8,006	7,727	7,480	7,550
Total Assets	34,854	28,173	28,033	30,186	25,062
Total Current Assets	10,759	10,075	10,832	14,456	13,152
Total Current Liabilities	7,314	7,238	7,103	12,512	11,985
Current Ratio	1.47	1.39	1.52	1.16	1.10



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

Figure in BDT mn.

Particulars	BPML 2021-2022	Monospoll 2021 2022	Sonali Paper 2020-2021	HPPML 2020-2021
Revenue (Turnover)	11,237.96	663.98	1414.65	389.96
Gross Profit	2,250.35	226.48	184.63	59.61
Operating Expenses	(550.44)	(52.66)	(75.89)	(27.61)
Financial Expenses	(1,153.32)	(108.43)	(61.22)	(59.81)
Net profit before tax	667.82	62.58	95.41	(23.03)
Net Profit After Tax	507.84	51.15	89.46	(24.30)
Earnings per Share	2.92	5.45	4.89	(1.28)

Cash flow Movement

Figure in BDT mn.

Particulars	BPML 2021-2022	Monospoll 2021 2022	Sonali Paper 2020-2021	HPPML 2020-2021
Cash generated by operating activities	2,806.83	110.77	353.75	4.39
Income taxes paid	(113.25)	(11.49)	(16.01)	(0.49)
Interest Paid	(5.35)	-	-	-
Net cash (used in)/generated by operating activities	1,990.50	67.51	247.63	(3.90)
Net cash (used in)/ generated by investing activities	(1,930.51)	(123.31)	(421.11)	(10.01)
Net cash (used in)/generated by financing activities	(63.45)	72.66	223.65	15.80
Net increase in cash and cash equivalents	(3.46)	16.86	50.17	9.69
Cash and cash equivalents at the beginning	416.39	6.72	35.18	11.58
Cash and cash equivalents at the end	412.93	23.59	85.36	21.27

e) Financial and economic scenario of the country and the global:

**Bangladesh Scenario**

Economic growth is expected to accelerate in FY 2023 as private consumption and investment gain steam.

The World Bank has projected that Bangladesh's GDP would grow by 6.7% in FY 23, while the ADB expected the economy to expand by 7.1%. Meanwhile, the government has set an ambitious economic growth target of 7.5% for the next fiscal year although the country faces new headwinds owing to higher prices of commodities globally and is still recovering from the shocks of the coronavirus pandemic.

The ADB report has lowered its overall 2022 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 6.2% in 2022 and 6.7% in 2023. Bangladesh is now one of the emerging economies of the world.

**Global Scenario**

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 % in 2021 to 3.2% in 2022 and 2.7 % in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Global inflation is forecast to rise from 4.7% in 2021 to 8.8 % in 2022 but to decline to 6.5 % in 2023 and



to 4.1 % by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation. (Source- IMF October-2022)

**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. 01 of the Financial Statement.

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

BPML has planning to incorporate 03 new machineries for its production, which expecting the product quality will increase and have a positive impact in product pricing in the competitive market. The Research and Development Division of the company has also engaged its full effort to ensure the diversify of its product line with the existing product. The company also emphasizing to discover the new export destinations for its products. The Board of Directors has recommended for 10% of Cash Dividend during the year.

Sd/-

**Safwan Sobhan**

Managing Director

# Performance of last 5 years

Financial of Highlights of last Five Years of Bashundhara Paper Mills Limited including FY 2021-2022

## Financial Position

Figure in BDT mn.

Particular	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Paid-up-Capital	1,737.91	1,737.91	1,737.91	1,737.91	1,737.91
Shareholders' Equity	13,070.44	8,005.83	7,727.02	7,480.25	7,549.50
Total Assets	34,854.11	28,172.63	28,032.71	30,186.24	25,062.14
Total Liabilities	21,783.66	20,166.79	20,305.69	22,705.99	17,512.64
Working Capital	1,824.83	1,266.26	1,393.61	2,640.11	2,665.46
Capital Employed (times)	0.54	0.50	0.37	0.09	0.11

## Operating Performance

Figure in BDT mn.

Particular	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Revenue	11,237.96	9,282.85	8,544.46	11,039.12	10,821.10
Gross Profit	2,250.35	1,922.83	1,877.58	2,095.28	1,920.58
Net profit after Tax	507.84	411.19	285.83	291.84	693.64
Income from Operating	1,856.30	1,425.26	1,395.88	1,604.42	1,390.59
Profit Before Int., Tax & Dep.	2,743.73	2,407.48	2,385.39	2,540.09	2,214.35

## Financial Ratio

Particular	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Current Ratio	1.47	1.39	1.52	1.16	1.10
Debt to Equity	1.67	2.52	2.63	3.04	2.32
EBIT to Net Interest Cover (times)	1.61	1.43	1.51	1.45	1.60
Gross Profit Margin	20.02%	20.71%	21.97%	19.01%	17.75%
Net profit Margin	4.52%	4.43%	3.35%	2.64%	6.41%
Operating Profit Margin	16.52%	15.35%	16.34%	14.53%	12.85%

## Market Performance

Particular	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Dividend on Paid up Capital	10%	12%	10%	15%	20%
Face value per Share	10	10	10	10	10
Earnings per Share	2.92	2.37	1.64	1.68	3.99
NAV per Share	74.31	45.81	43.55	42.52	49.18
Price Earnings Ratio (P/E Ratio)	18.49	18.81	24.85	37.52	20.75



# Wealth Creation & Distribution Statements

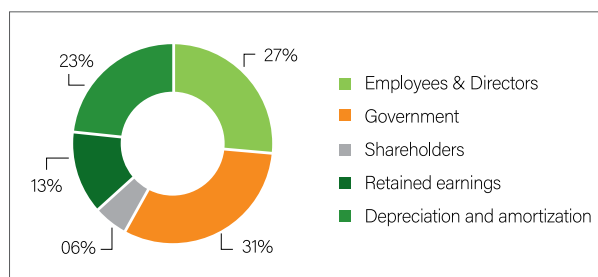
The Bashundhara Paper Mills Limited has accretion its wealth through manufacturing products in FY 2021-2022 for its directors, employees, government and shareholders in the form of remuneration, salaries & allowances, duties & taxes, net profit after tax respectively and also indicates value of use of fixed assets through depreciation.

Value Added for the year ended 30 June, 2022

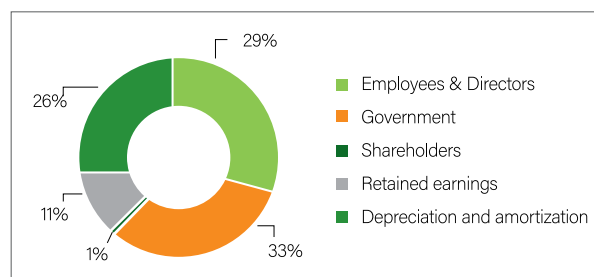
Figures in BDT mn.

Particulars	2021-2022	2020-2021
<b>Wealth Creation</b>		
Revenue	11,935.68	9,894.96
Less: Cost of Sales	(7,516.96)	(5,753.60)
Operating Expenses	(116.42)	(155.69)
	<b>4,302.30</b>	<b>3,985.67</b>
Other Income	156.40	67.60
Provision for Expenses	(1.16)	(51.74)
<b>Total Wealth Creation</b>	<b>4,457.54</b>	<b>4,001.53</b>
<b>Wealth Distribution</b>		
<b>Employees &amp; Directors</b>		
Employees as salaries & allowances	999.25	1,046.99
Directors as fees	18.00	36.00
	<b>1,202.64</b>	<b>1,209.77</b>
<b>Government</b>		
Corporate Tax	112.51	93.89
Advance Tax	151.90	195.09
Value added Tax	793.74	743.10
Supplementary Duty	46.70	40.62
Customs Duty	88.66	118.15
Others Duty	9.12	18.92
<b>Shareholders</b>		
Dividend to Shareholders	208.55	26.04
<b>Retention for future business growth</b>		
Retained Earnings	507.85	411.19
Depreciation and Amortization	887.43	982.22
<b>Total Wealth Distribution</b>	<b>3,823.72</b>	<b>3,712.21</b>

Wealth Distribution (%) 2021-2022



Wealth Distribution (%) 2020-2021

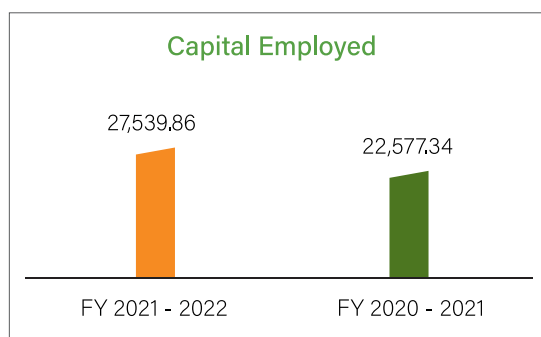
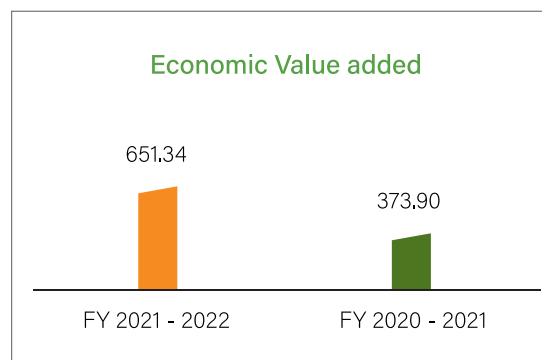
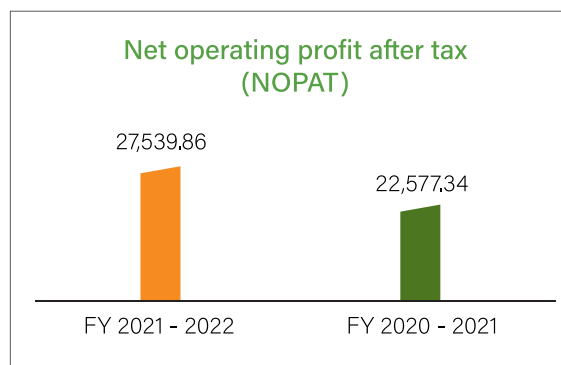




# Economic Value-Added Statement

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. The mentioned numbers has shown biased on consolidate:

Description	FY 2021-2022	FY 2020-2021
Operating profit	1,856.31	1,425.26
Provision for Income Tax	67.57	55.70
<b>Net Operating profit after tax (NOPAT)</b>	<b>1,788.74</b>	<b>1,369.56</b>
Charges for capital		
Capital Employed*	27,539.86	22,577.34
WACC	4.13%	4.41%
Capital Charges	1,137.40	995.66
<b>Economic Value added</b>	<b>651.34</b>	<b>373.90</b>
Total Assets	34,854.11	28,738.81
Less: Current Liabilities	7,314.25	6,161.47
<b>Capital Employed</b>	<b>27,539.86</b>	<b>22,577.34</b>

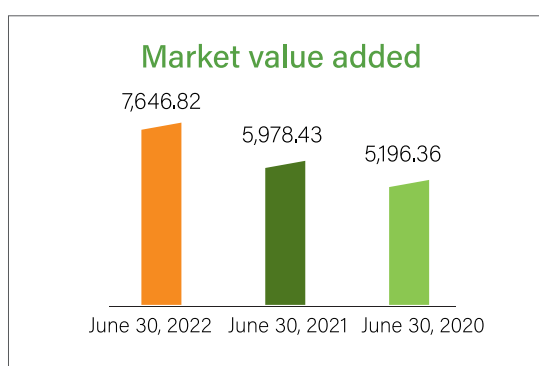
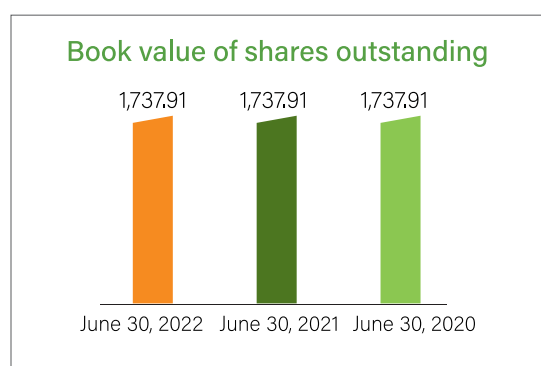
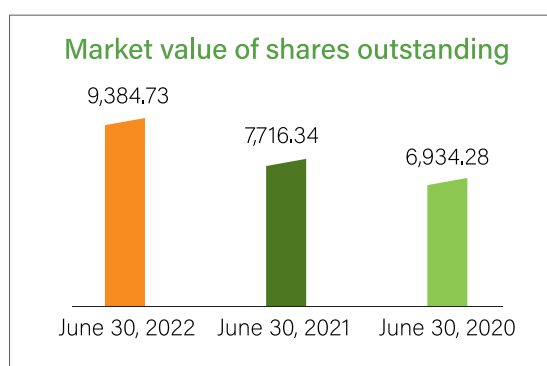


# Market Value-Added Statement

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 Statement as of June 30, 2022, June 30, 2021 and June 30, 2020

Concentration	June 30, 2022	June 30, 2021	June 30, 2020
Market value of shares outstanding	9,384.73	7,716.34	6,934.28
Book value of shares outstanding	1,737.91	1,737.91	1,737.91
Market value added	7,646.82	5,978.43	5,196.36



# Horizontal & Vertical Analysis

Horizontal	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Horizontal Statement of profit or loss and other comprehensive income					
Net revenue from contracts with customers	21%	9%	-23%	2%	8%
Gross profit	18%	2%	-11%	9%	5%
Operating profit	32%	2%	-13%	16%	-2%
Profit before tax	70%	-10%	-6%	-3%	-17%
Profit for the year	27%	44%	-2%	-58%	80%
Earnings per share	27%	44%	-2%	-64%	77%
Statement of financial position					
Total non-current assets	33%	5%	9%	32%	16%
Total current assets	10%	-7%	-25%	10%	26%
Total assets	25%	0%	-7%	20%	21%
Share capital	0%	0%	0%	0%	18%
Retained earnings	13%	19%	14%	-3%	54%
Total equity attributable to owners of the Company	60%	4%	3%	-1%	54%
Total non-current liabilities	14%	-2%	30%	84%	-4%
Total current liabilities	6%	2%	-43%	4%	19%
Total liabilities	11%	-1%	-11%	30%	11%
<b>Total equity and liabilities</b>	<b>25%</b>	<b>0%</b>	<b>-7%</b>	<b>20%</b>	<b>21%</b>

Vertical	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Statement of profit or loss and other comprehensive income					
Net revenue from contracts with customers	100%	100%	100%	100%	100%
Gross profit	20%	21%	22%	19%	18%
Operating profit	17%	15%	16%	15%	13%
Profit before tax	6%	4%	5%	4%	5%
Profit for the year	5%	4%	3%	3%	6%
Statement of financial position					
Total non-current assets	68%	64%	61%	52%	48%
Total current assets	32%	36%	39%	48%	52%
Total assets	100%	100%	100%	100%	100%
Share capital	5%	6%	6%	6%	7%
Retained earnings	8%	9%	8%	6%	8%
Total equity attributable to owners of the Company	36%	28%	28%	25%	30%
Total non-current liabilities	42%	46%	47%	34%	22%
Total current liabilities	22%	26%	25%	41%	48%
Total liabilities	64%	72%	72%	75%	70%
<b>Total equity and liabilities</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



# Communication of Shareholders

During the FY 2021-2022 the published Notice & Price Sensitive Information (PSI) for the Shareholder:

Sl.	Particulars	Category	Communicated through		Date
			BPML	Regulators	
1	Finalize FS for FY 2020-2021 and declaration of 28th AGM	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC, CDBL	07 Nov, 2021
2	Un-audited FS of 1Q of FY 2021-2022 approval	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	14 Nov, 2021
3	28th AGM Notice	General Notice	Newspapers, Online Portal, Website	DSE, CSE, BSEC, CDBL	27 Nov, 2021
4	Distribution of Dividend for FY 2020-2021	General Notice	Newspapers, Online Portal, Website	DSE, CSE, BSEC	25 Jan, 2021
5	Un-audited FS of 2Q of FY 2021-2022 approval	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	30 Jan, 2022
6	Un-audited FS of 3Q of FY 2021-2022 approval	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	27 April, 2022
7	Land Re-Valuation Notice	General Notice	Newspapers, Online Portal, Website	DSE, CSE, BSEC	15 June, 2022
8	Land Re-Valuation	PSI	Newspapers, Online Portal, Website	DSE, CSE, BSEC	29 June, 2022

## 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.



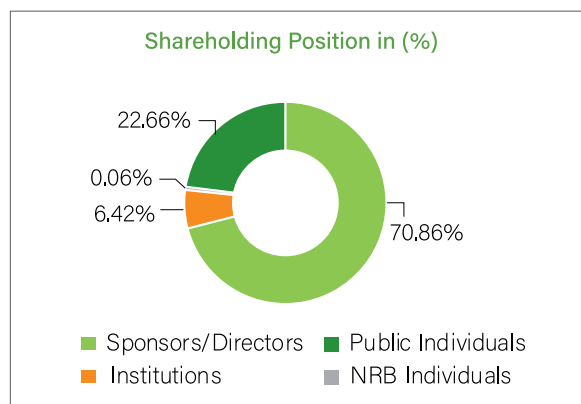
# Shareholding Information for Investors

Some useful information regarding the present shareholding position of the Bashundhara Paper Mills Limited has appended below in this statement for the Investors of the –

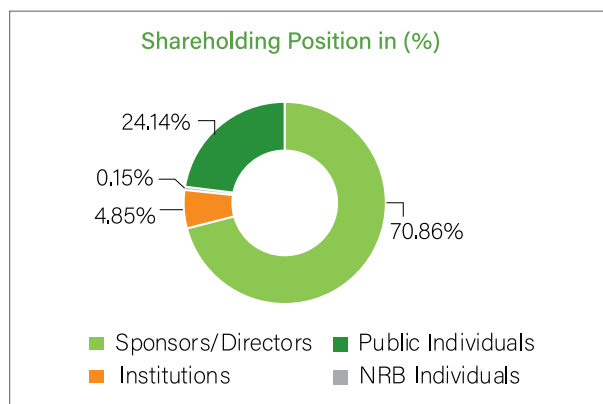
## 1. Shareholding Position in number and percentage as on Record Date, 22 November, 2022 of 29th AGM:

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>	<b>134</b>	<b>8,428,885</b>	<b>4.85%</b>
3.	<b>NRB Individuals</b>	<b>285</b>	<b>260,687</b>	<b>0.15%</b>
4.	<b>Public Individuals</b>	<b>9,709</b>	<b>41,961,094</b>	<b>24.14%</b>
	<b>Grand Total</b>	<b>10,133</b>	<b>173,791,441</b>	<b>100%</b>

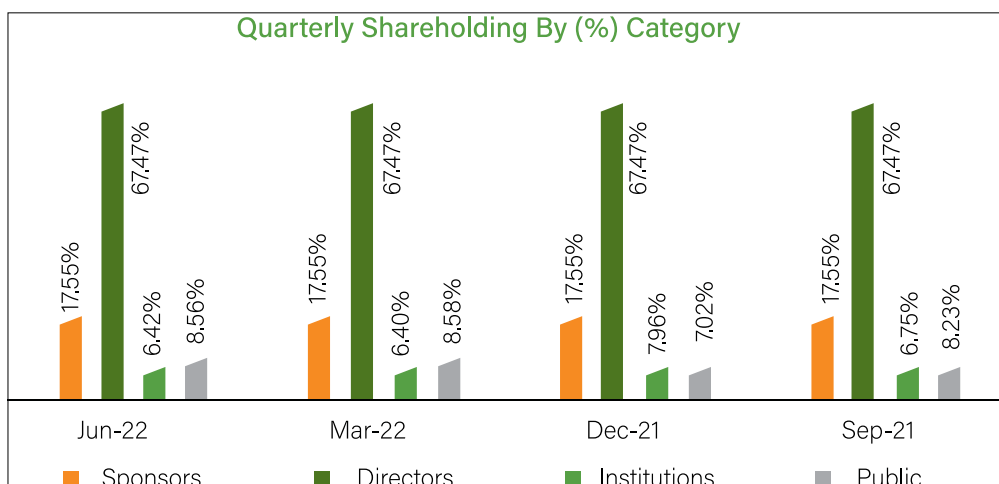
### Shareholding Position as on 30 June, 2022



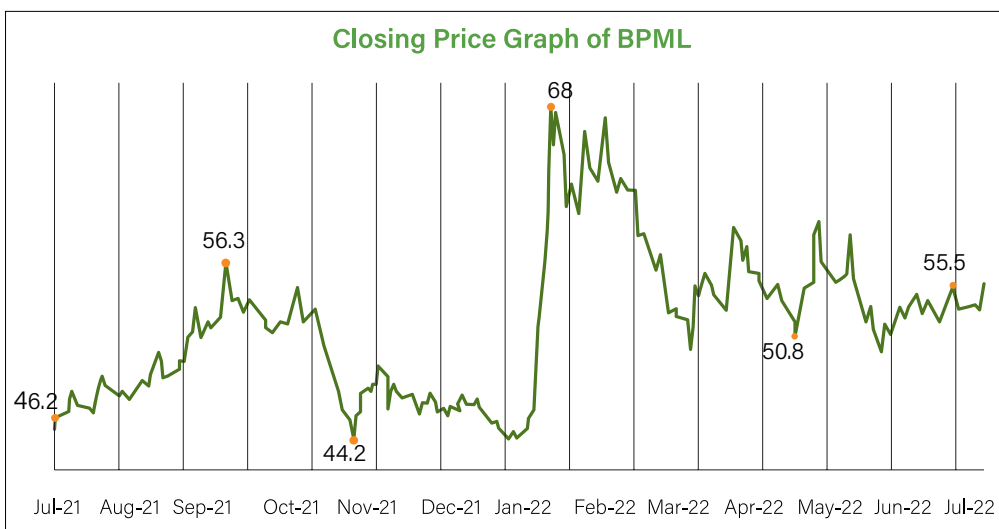
### Shareholding Position as on Record Date 22 November, 2022



## 2. Quarterly Shareholding Position by Category in Percentage for FY 2021-2022



## 3. Share pricing performance in Capital Market



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

1Q			2Q			3Q			4Q		
July-21	Aug -21	Sep -21	Oct-21	Nov -21	Dec -21	Jan-22	Feb-22	Mar-22	Apr- 22	May-22	June-22
Starting of FY		End-1Q	Audit of last FY, PSI- AGM	PSI-1Q	End-2Q Holding of 29th AGM	PSI-2Q & Dividend Disbursed		End-3Q	PSI-3Q		Year Closing

## 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.

বসুন্ধরা খাতা  
লেখ তোমার ভবিষ্যৎ



উচ্চ মাধ্যমিক পর্যায়ের ব্রেইল বুক  
ওঁদের হাতে তুলে দিতে পেরে  
**আমরা গর্বিত**

সম্মিলিত উদ্যোগেঃ



VIEW FOUNDATION

# CORPORATE GOVERNANCE





# Statement on Corporate Governance

## Dear Valued Shareholders,

For a 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. With the believe and admire the importance of corporate governance, we are pleased to present to you the Annual Corporate Governance Report for the FY 2021-2022 of the Company with this annual report.

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 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. 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 2021.

## Review on FY 2021-2022

To protect the growing interest among stakeholders, including potential investors, we have given due attention in this report to cover governance issues that are of interest to all constituents of our socio eco-system. 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:

- The size of Board and its composition;
- Appointment, reappointment of Managing Director and election of Chairman, 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;
- Ensure the compliance of the Appointment of statutory and compliance auditors accordingly;
- Ensure a separate entity/position of Chairman, Managing Director, Company Secretary, Chief Financial Officer and Head of Internal Control and Compliance and act as per the code of conduct of each position;
- Statutory General Meeting and Committee meeting and Attendance of the members;

- Periodic and yearly Financial Reporting and Committee Reporting as per the provision;
- Internal and External Reporting for good governance;
- Disclosed all related information for the stakeholders as per the provision;
- Review the internal policies and ethical practices; and
- Statement of delegated authorities of the Company.

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

Sincerely yours

Sd/-

**M. Mazedul Islam**  
Company Secretary

# Report of Audit Committee

In compliance of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) on 03 June, 2018 the Bashundhara Paper Mills Ltd. has formed an independent Audit Committee (AC) from its listing at the stock exchanges. The committee ensure and monitor and review the integrity of the financial statements of the Company. Also ensure the appropriate recommendations to the Board on matters including business risks, internal controls, compliance and audit as guided by the CGC condition-5 as well.

## Composition of the Audit Committee

The Audit Committee of the Bashundhara Paper Mills Ltd. has comprised of four Members, appointed by the Board of the Company. The Committee consist one Independent Director, two non-Executive Directors and the Company Secretary. This Audit Committee of BPML being one of its core Sub-Committee of the Board, which 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 Financial 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 EYPD	Member
4.	Mr. M. Mazedul Islam	Company Secretary	Member Secretary

## Qualifications of Members of the Audit Committee

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 roles and responsibilities of the Audit Committee are clearly mentioned in the Terms of Reference of the Audit Committee. The Committee of BPML has been playing an effective role in providing a bridge between the Board, Members and other Stakeholders includes:

- Oversee the financial reporting process;
- Monitor choice of accounting policies and principles;
- Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- 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 financial statements 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 Management Letters or Letter of Internal Control weakness issued by statutory auditors;



- 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
- Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;
- The management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results;
- On an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.

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 2021-2022 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 member 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 2022, 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 2021-2022. 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 2021-2022.

### 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 29th 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 2021-2022 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 2021-2022 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 2021-2022

- Oversee the financial reporting process and implementation of accounting policies and principles;
- Monitor Internal Audit and Compliance process and review of the Internal Audit and Compliance Report,
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption process;
- 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 Management's Discussion and Analysis before disclosing in the Annual Report;
- Review statement of all related party transactions submitted by the management;
- Oversee hiring and performance of external auditors; and
- 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;
- Evaluation of risk management and internal control systems.

### 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





# Reports of the NR Committee

Appropriate leadership with the self-motivated workforces are the pre-request for a sustainable growth of any company. The Bashundhara Paper Mills Limited has paying its maximum concentration to develop its skills of the workforces. By the contribution of this workforces the company able to touch the milestone one after another. To compete in global race the human capital, intelligence, capitalize the required expertise, modern polices are now key factor for a company. To ensure the corporate governance in the company and attain the compliance of the CGC of BSEC the company empowered the Nomination and Remuneration Committee 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 on 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:

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 EYPD	Nominated Director	Member
4.	Mr. M. Mazedul Islam	Company Secretary	Member Secretary

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

## 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 NRC of the company is an independent committee and accountable to the Board and to the shareholders. 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;
- Formulating the criteria for evaluation of performance of independent directors and the Board;
- 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.
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- Developing, recommending and reviewing annually the company's human resources and training policies;
- 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.

### Meeting Attendance by the Members

The Committee held 01 (one) no. of meeting during the period ended on 30 June 2022. The Committee has placed its report to the Board of Directors in due course. The attendance status of the NRC Committee Meeting is appended below:

Sl.	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 EWPDP	Member	1/1
4.	Mr. M. Mazedul Islam	Member Secretary	1/1

### Summary of NRC during the FY 2021-2022

- During the year under review the Committee has evaluated for recommendation of 02 (two) nonexecutive Directors- Mr. Md. Imrul Hassan. and ii. Mr. Md. Nazmul Alam Bhuiyan-Nominated by EWPDP 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 it's 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 29 December, 2021.

On behalf of Nomination and Remuneration Committee -

Sd/-

M. Mazedul Islam  
Member Secretary

Sd/-

Khawaja Ahmedur Rahman  
Chairman



# CG Compliance Certificate

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, 2022. 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:

- a) 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;
- b) 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;
- c) 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
- d) The governance of the company is satisfactory.

Place : Dhaka  
Dhaka: October 28, 2022

**Sd/-**  
**A.K.M Haruner Rashid LLB, FCS**  
CEO & Lead Consultant  
**Haruner Rashed & Associates**  
Chartered Secretaries

# 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 2021-2022.

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

### Report under Condition No. 9

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.	Board of Director			
1(1)	Total number of Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty);	✓		
1(2)(a)	One-fifth (1/5) of the total number of directors in the company's Board be Independent Directors (ID);	✓		
1(2)(b)(i)	ID does not hold any shares or holds less than one percent (1%) shares in the company;	✓		
1(2)(b)(ii)	ID not a sponsor of the company nor connected with any sponsor/director/nominated director/ shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company by family relationship and his/ her family members also shall not hold above mentioned shares in the company;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise;	✓		
1(2)(b)(v)	who is not a member or TREC holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(viii)	Independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a loan defaulter of Bank or NBFIs;	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	Independent director(s) shall be appointed by the Board and approved by the shareholders in the AGM;	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	√		
1(3)(a)	Independent director shall be a knowledgeable individual with integrity.	√		
1(3)(b)(i)	ID is business leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100 million or any listed company or a member of any national or international chamber of commerce or business association;	√		
1(3)(b)(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 5 <sup>th</sup> 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



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(b)	MD and/or CEO of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	Board shall clearly define respective roles and responsibilities of the Chairperson and the MD and/or CEO;	✓		
1(4)(e)	In the absence of the Chairperson of the Board the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting;	✓		
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat and negative impact on environment, if any;	✓		
1(5)(vi)	A discussion on COGS, GP Margin and NP Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			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;	✓		



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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		
<b>2.</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			n/a
2(b)	At least 1 (one) Independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			n/a
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			n/a



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			n/a
<b>3.</b>	<b>MD/CEO/CFO/HIAC and CS</b>			
3(1)(a)	The Board shall appoint a MD or Chief Executive CEO, a CS, a CFO and a HIAC;	√		
3(1)(b)	The positions of the MD or Chief Executive Officer CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board			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.	√		
<b>4.</b>	<b>Board of Directors' Committee</b>			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
<b>5.</b>	<b>Audit Committee.</b>			
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;	√		

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





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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6.	Nomination and Remuneration Committee (NRC)			
6(1)(a)	NRC as a sub-committee of the Board;	✓		
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
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;	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes.	✓		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		TOR of NRC includes this Role
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		Report of NRC is disclosed in the Annual Report
<b>7.</b>	<b>External or Statutory Auditors</b>			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	✓		
<b>8.</b>	<b>Maintaining a website by the Company</b>			
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.	✓		
<b>9.</b>	<b>Reporting and Compliance of Corporate Governance</b>			
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	✓		



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# Financial Statements



# CEO & CFO Declaration on Financial Statements

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

Date: 28 October, 2022

The Board of Directors  
Bashundhara Paper Mills Limited

**Subject: Declaration on Financial Statements the year ended as on 30/06/2022.**

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 30/06/2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure therefrom 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 30/06/2022 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**  
CEO/Managing Director

Sd/-  
**Mohammad Kamrul Hassan**  
Chief Financial Officer

**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 2022, 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 2022, and its financial performance and its cash flow year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is produced in the context.

Risk	Our response to the risk
<b>Property, plant and equipment (PP&amp;E)</b>	
<p>The carrying value of PP&amp;E as at 30 June 2022 was BDT. 23,025,591,008 Which is 66.06% of total assets. 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>
<b>See note no. 4.00 of the financial statements.</b>	



Risk	Our response to the risk
<b>Valuation of Inventory</b>	
<p>The Company had inventory of BDT 8,269,900,957 at 30 June 2022, held and across multiple product lines. Inventories are carried at the lower of cost and net realizable value.</p> <p>Inventory valuation and existence was a key audit matter because of store/ location that inventory was held and the judgment applied in the valuation of inventory.</p>	<p>We performed a number of audit procedures for inventory valuation and existence. The procedure introduced any others the followings:</p> <ul style="list-style-type: none"> <li>• Evaluated and selected systems and processes for inventory and tested a sample of key controls for establishing volumes and cost;</li> <li>• Evaluated the stocking process in the selected stores and undertook our own test of control;</li> <li>• Tested, on a sample basis, stocks of raw materials to actual prices. Assessed the reasonableness of the product and service costing;</li> <li>• Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories;</li> <li>• Participated in stock takes at a number of locations and tested the cut-off of deliveries in or out of inventory; and</li> </ul> <p>Obtained the company's monitoring controls of slow movers and assessments of obsolescence as well as net selling prices.</p>
<b>See note no. 9.00 to the financial statements</b>	
<b>Revenue recognition</b>	
<p>At year end of the Company reported total revenue of BDT 11,237,967,247.</p> <p>The Company has multiple revenue units including Unit-1, Unit-2 &amp; Unit-3. Since the company has complex terms of contracts which require significant management estimation and judgment in determining the timing of revenue recognition and measurement. Revenue is derived from several business segments and agreement with customers contain more than one performance obligation. Hence the management needs to determine the basis for allocating the consideration received between the separate performance obligations based on relative standard selling price. This matter is considered a key audit matter due to the level of judgment required to determine the timing of revenue recognition and measurement.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the revenue recognition principles applied by the Company towards applicable accounting standards;</li> <li>• We evaluated the revenue recognition of different segments of revenue in relation to the terms of the service terms;</li> <li>• We tested the key controls over the calculation, authorization and approval of bills forwarded to customers and the capturing and recording of revenue transactions;</li> <li>• We tested the timing of the revenue recognition;</li> <li>• We evaluated the appropriateness of the notes related to the Company's revenue;</li> <li>• We critically assessed manual journals posted to revenue to identify unusual or irregular items; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>
<b>See note no. 26 of the financial statements</b>	

## 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.

28 October 2022  
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# 2210310804AS347988

# BASHUNDHARA PAPER MILLS LIMITED

## Statement of financial position

As at 30 June 2022

	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>24,094,298,838</b>	<b>18,504,032,436</b>
Property, plant and equipment, net	4	23,025,591,008	17,196,152,412
Intangible Assets, net	5	156,255,465	150,790,856
Right-of-use assets	6	15,293,590	27,166,916
Capital work-in-progress	7	632,158,774	864,922,251
Investment	8	265,000,000	265,000,000
<b>Current assets</b>		<b>10,759,811,898</b>	<b>10,234,777,984</b>
Inventories	9	8,269,900,957	7,865,259,218
Trade and other receivables	10	1,014,646,121	766,820,718
Advances, deposits and prepayments	11	695,779,620	750,153,312
Advance income tax	12	366,547,565	436,146,583
Cash and bank equivalents	13	412,937,636	416,398,153
<b>Total assets</b>		<b>34,854,110,736</b>	<b>28,738,810,420</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>13,070,441,273</b>	<b>8,364,957,712</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	6,699,420,709	2,306,671,844
Retained earnings	17	2,893,522,862	2,580,788,166
<b>Liabilities</b>			
<b>Non-current Liability</b>		<b>14,469,418,737</b>	<b>14,212,381,964</b>
Long term borrowings	18	13,375,182,257	13,073,901,189
Lease Liabilities	19	-	207,593,665
Deferred tax liability	20	1,094,236,481	930,887,110
<b>Current liabilities</b>		<b>7,314,250,726</b>	<b>6,161,470,744</b>
Long term borrowings-current portion	21	1,997,367,081	2,156,870,384
Short term borrowings	22	3,993,660,017	2,634,775,834
Trade and other payables	23	1,198,790,267	1,144,864,139
Provision for expenses	24	1,161,873	51,743,762
Income tax provision	25	123,271,488	173,216,625
<b>Total liabilities</b>		<b>21,783,669,464</b>	<b>20,373,852,708</b>
<b>Total equity and liabilities</b>		<b>34,854,110,736</b>	<b>28,738,810,420</b>
<b>Net Asset Value Per Share</b>	41	<b>74.31</b>	<b>47.26</b>

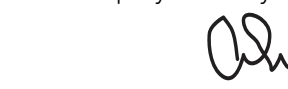
The annexed notes form an integral part of these financial statements.

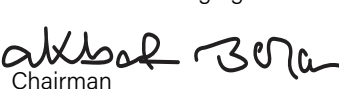
  
Chief Financial Officer

  
Company Secretary

  
Managing Director

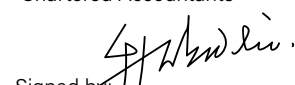
  
Director

  
Chairman

  
Chairman

Dated, Dhaka  
28 October 2022

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# 2210310804AS347988



# BASHUNDHARA PAPER MILLS LIMITED

## Statement of profit or loss and other comprehensive income

for the year ended 30 June 2022

	Notes	Amount in Taka	
		01-Jul-2021 to 30-Jun-2022	01-Jul-2020 to 30-Jun-2021
Revenue, net	26	11,237,967,247	9,282,857,069
Cost of sales	27	(8,987,615,099)	(7,360,026,462)
<b>Gross profit</b>		<b>2,250,352,148</b>	<b>1,922,830,607</b>
Other income	28	156,402,602	67,601,288
Administrative expenses	29	(351,413,590)	(368,168,177)
Selling & distribution expenses	30	(199,034,321)	(196,999,041)
Finance costs	31	(1,153,329,704)	(999,856,244)
<b>Profit before distribution of WPP &amp; WF</b>		<b>702,977,135</b>	<b>425,408,433</b>
Workers' profit participation & welfare fund		(35,148,857)	(21,270,422)
<b>Profit before tax</b>		<b>667,828,278</b>	<b>404,138,012</b>
<b>Income tax expenses</b>	32	<b>(159,980,139)</b>	<b>7,052,093</b>
Current tax (expense)/income		(132,904,536)	1,596,543
Deferred tax (expense)/income		(133,565,656)	(90,931,052)
Deferred tax income resulting from reduction in tax rate		106,490,052	96,386,602
<b>Profit after tax</b>		<b>507,848,139</b>	<b>411,190,105</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>		<b>4,406,185,151</b>	-
Gain on revaluation of land		4,542,458,919	-
Less: Related tax		(136,273,768)	-
<b>Items that may be reclassified subsequently to profit or loss</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>4,914,033,290</b>	<b>411,190,105</b>
<b>Earnings per share</b>			
<b>Basic earnings per share (per value of Tk. 10)</b>	33	<b>2.92</b>	<b>2.37</b>

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

  
Chief Financial Officer

  
Company Secretary

  
Managing Director


  
Director

  
Chairman

As per our report of same date

Dated, Dhaka  
28 October 2022

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# 2210310804AS347988



# BASHUNDHARA PAPER MILLS LIMITED

## Statement of changes in equity

for the year ended 30 June 2022

Annual Report 2022

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	Amount in Taka				
Balance as on 01 July 2020	1,737,914,410	1,739,583,292	2,072,945,224	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)
<b>Total Comprehensive Income for the year</b>	-	-	-	411,190,105	411,190,105
Balance as at 30 June 2021 (Reported)	1,737,914,410	1,739,583,292	2,053,172,481	2,581,504,792	8,112,174,975
Transfer to retained earnings	-	-	716,627	(716,627)	-
Adjustment of deferred tax on revaluation reserve	-	-	252,782,737	-	252,782,737
<b>Balance as at 30 June 2021 (Restated)</b>	<b>1,737,914,410</b>	<b>1,739,583,292</b>	<b>2,306,671,844</b>	<b>2,580,788,165</b>	<b>8,364,957,712</b>
Balance as at 01 July 2021	1,737,914,410	1,739,583,292	2,306,671,844	2,580,788,165	8,364,957,712
Transfer to retained earnings	-	-	(13,436,286)	13,436,286	-
Payment of cash dividend	-	-	-	(208,549,729)	(208,549,729)
Total Comprehensive Income for the year	-	-	4,406,185,151	507,848,139	4,914,033,290
<b>Balance as at 30 June 2022</b>	<b>1,737,914,410</b>	<b>1,739,583,292</b>	<b>6,699,420,709</b>	<b>2,893,522,861</b>	<b>13,070,441,273</b>

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Chairman

  
Chairman

# BASHUNDHARA PAPER MILLS LIMITED

## Statement of cash flows

for the year ended 30 June 2022

	Notes	Amount in Taka	
		01-Jul-2021 to 30-Jun-2022	01-Jul-2020 to 30-Jun-2021
<b>A) Cash flows from operating activities</b>			
Receipts from customers		11,663,378,917	10,537,664,394
Receipts from other income		180,883,012	67,335,200
		11,844,261,929	10,604,999,594
Payment to suppliers, employees & others		(9,037,425,875)	(7,896,741,641)
Cash generated from operations		2,806,836,054	2,708,257,953
VAT paid	26	(655,017,487)	(584,462,666)
SD Paid	26	(42,699,995)	(27,643,490)
Income taxes paid	12	(113,250,655)	(93,885,180)
Bank charges and commission	31	(5,359,177)	(7,400,395)
<b>Net cash (used in)/ generated by operating activities</b>		<b>1,990,508,740</b>	<b>1,994,866,222</b>
<b>B) Cash flows from investing activities</b>			
Payments for property, plant and equipment		(965,568,797)	(569,605,882)
Payments for intangible assets		(12,644,173)	-
Adjustment/ transfer of intangible assets		12,244,173	(735,423)
Adjustment/ transfer for property, plant and equipment		319,102	(1,167,394)
Receipts/ transfer of capital work-in-progress		(964,867,587)	(1,717,230,301)
<b>Net cash (used in)/ generated by investing activities</b>		<b>(1,930,517,282)</b>	<b>(2,288,739,000)</b>
<b>C) Cash flows from financing activities</b>			
Received/ (repayment) of short term borrowings		1,358,884,183	(491,846,540)
Payments of Bank interest and other charges		(1,147,970,527)	(992,455,849)
Payments of dividends to owners of the company		(208,549,729)	(26,041,666)
Received/ (repayment) of lease liabilities		(207,593,665)	(135,443,211)
Received/ (repayment) of long term borrowings		141,777,765	2,075,067,956
<b>Net cash (used in)/ generated by financing activities</b>		<b>(63,451,974)</b>	<b>429,280,690</b>
<b>D) Net increase in cash and cash equivalents (A+B+C)</b>		<b>(3,460,517)</b>	<b>135,407,912</b>
<b>E) Cash and cash equivalents at the beginning</b>	13	<b>416,398,153</b>	<b>280,990,242</b>
<b>F) Cash and cash equivalents at the end (D+E)</b>	13	<b>412,937,636</b>	<b>416,398,153</b>
<b>Net Operating Cash Flows per share</b>	42	<b>11.45</b>	<b>11.48</b>

The annexed notes 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 2022

### 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, Narayanganj 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 principles 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, 2015 and 2022. 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 Valuation Standards (IVS)
- 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) ue to be settled within twelve months after the reporting period or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

The Company classifies all other liabilities as non-current.

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

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

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

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

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

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

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures



IAS 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

## **2.7 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

## **2.8 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.

## **2.9 DATE OF AUTHORIZATION FOR ISSUE**

The audited financial statements for the year ended 30 June 2022 were authorized by the Board of Directors on 28 October 2022 for publication.

## **2.10 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. 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).

## **2.11 COMPARATIVE INFORMATION AND REARRANGEMENT THEREOF**

Comparative information for the financial position has been disclosed in respect of the year ended June 30, 2021 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, 2021 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, 2022 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 infinite 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.

In the year 2021-2022 the Board of Directors made a decision to ascertain the current estimated market value of the lands to be incorporated in the financial statements. In this regard, the management has engaged Ahmed Zaker & Co., Chartered Accountants an exclusive independent member firm of Geneva Group International (GGI) on February 10, 2022 for revaluation of the Company's freehold land as on March 31, 2022 (Cut Off date). The revaluation report is accepted by the Board of Directors on June 29, 2022 and subsequently outcome of the revaluation surplus amount incorporated in the financial statements by complying necessary rules, regulations and accounting policies.

Location	Land area (Acre)	Book Value	Fair value/ Market Value	Fair Value Adjustments/ Revaluation surplus
Meghnaghat, Baranagar, Sonargaon, Narayanganj	13.4211	356,961,415	2,539,836,550	2,182,875,135
Meghnaghat, Newtown, Sonargaon, Narayanganj	12.9600	86,439,658	2,527,200,000	2,440,760,342
Anarpura, under Gazaria, Munshiganj	11.8940	173,930,960	2,200,390,000	2,026,459,040
<b>Total as on March 31, 2022</b>	<b>38.2751</b>	<b>617,332,033</b>	<b>7,267,426,550</b>	<b>6,650,094,517</b>
Previous Revaluation Surplus as on December 31, 2014				2,107,635,598
<b>Current Increase in Revaluation Surplus</b>				<b>4,542,458,919</b>

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

### 3.1.6 Software

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

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

### 3.1.7 Disposal of Fixed Assets

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

### 3.1.8 Maintenance Activities

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

### 3.1.9 Impairment

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

## 3.2 INTANGIBLE ASSETS

### 3.2.1 Recognition

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

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

### 3.2.1 Recognition

### 3.2.2 Measurement

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

### 3.2.3 Separately Acquired Intangibles Assets

The cost of a separately acquired intangible asset comprises:

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

### 3.2.4 Internally Generated Intangible Assets

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

### 3.2.5 Research Phase

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

### 3.2.6 Development Phase

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



### 3.2.7 Recognition of an Expense

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

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

### 3.2.8 Past Expenses

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

### 3.2.9 Revaluation of Intangibles

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

### 3.2.10 Amortization

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

Sl no	Category	Useful lives
1	SAP Software	25
2	Others Software	5-10

### 3.2.11 Derecognition of Intangible Assets

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

## 3.3 RIGHT-OF-USE ASSET

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

## 3.4 FINANCIAL INSTRUMENTS

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

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

### 3.4.1 Recognition and initial measurement

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

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

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

### 3.4.2 Classification and subsequent measurement

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

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

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

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

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

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

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

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

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

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

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;



- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

#### **Financial assets at FVTPL**

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

#### **Debt investments at FVOCI**

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

#### **Financial assets at amortised cost**

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

#### **Equity investments at FVOCI**

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

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

#### **a) Cash and cash equivalents**

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

#### **b) Trade and other receivables**

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

#### **c) Short-term investment**

Short-term investment consists of fixed deposits with original maturity of more than three months. The Company has the positive intent and ability to hold FDR to maturity, and such financial assets are carried as financial assets at amortised cost. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

#### **ii) Financial liability**

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

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

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

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

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



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

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

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

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

### **3.5 IMPAIRMENT OF FINANCIAL ASSETS**

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

#### **a) Financial assets**

The Company recognises loss allowances for ECLs on:

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

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

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

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

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

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

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

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

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

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

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



### **a) 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 20% (2020-2021: 22.5%). Provision for taxation has been made on the basis of the Finance Act, 2022.

#### 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. ডবিঃসংঅনুঃ(বসুধ্বরা)/বৃকসিউ/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) স্মারক নং-০৮.০৯.০০০০.০৩৬.০২.০০২২.২০১৭/৭৬ তারিখ: ০৭/০৯/২০১৭ খ্রিঃ. The net defined benefit liability (asset) is made up of:

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

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

The 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, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10:10. 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.

## 3.15 BORROWING COSTS

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

### 3.15.1 Recognition

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

### 3.15.2 Borrowing Costs Eligible for Capitalization

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

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

### 3.15.3 Commencement of Capitalization

BPML begins capitalising borrowing costs as part of the cost of a qualifying asset on the commencement





date. The commencement date for capitalisation is the date when the company first meets all of the following conditions:

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

### **3.16 SHARE CAPITAL**

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

### **3.17 DIVIDEND TO THE EQUITY HOLDERS**

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

### **3.18 STATEMENT OF CASH FLOWS**

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

### **3.19 STATEMENT OF CHANGES IN EQUITY**

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

### **3.20 EARNINGS PER SHARE**

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

Basic Earnings per Share (Numerator/Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders.

No. of Ordinary shares (Denominator)

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

Diluted Earnings per Share

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

### **3.21 RELATED PARTY TRANSACTIONS**

As per International Accounting Standards IAS-24: Related Party Disclosures, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties which have been given in note no. 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 Russian invasion of Ukraine and COVID-19 pandemic (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.

### **3.26 ACCRUAL BASIS OF ACCOUNTING**

BPML prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

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

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

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

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

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

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

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

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

### **3.29 EVENTS AFTER REPORTING PERIOD**

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

### **3.30 COMPARATIVES, RECLASSIFICATION AND RESTATEMENT**

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

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

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



#### 04.00 Property, Plant and Equipment

##### 1. Based on Cost:

##### A. Cost:

	30-Jun-2022	30-Jun-2021
Opening Balance	21,013,366,991	18,268,629,413
Less: Transfer/ Disposal/ Reclassification during the year	(585,942)	(7,162,607)
Add: Addition during the year	2,155,677,132	2,751,900,186
<b>Closing Balance</b>	<b>23,168,458,181</b>	<b>21,013,366,991</b>

##### B. Accumulated depreciation:

Opening Balance	6,345,803,676	5,414,030,981
Less: Transfer/ Disposal/ Reclassification during the year	(266,840)	(3,848,358)
Add: Charged during the year	851,582,995	935,621,053
<b>Closing Balance</b>	<b>7,197,119,831</b>	<b>6,345,803,677</b>

##### C. Written down value on cost (A-B)

<b>15,971,338,350</b>	<b>14,667,563,315</b>
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##### 2. Based on Revaluation:

##### A. Cost:

Opening Balance	2,848,337,977	2,848,337,977
Less: Transfer/ Disposal during the year	-	-
Add: Addition during the year	4,542,458,919	-
<b>Closing Balance</b>	<b>7,390,796,896</b>	<b>2,848,337,977</b>

##### B. Accumulated depreciation:

Opening Balance	319,748,880	295,160,343
Less: Transfer/ Disposal during the year	-	-
Add: Charged during the year	16,795,358	24,588,537
<b>Closing Balance</b>	<b>336,544,238</b>	<b>319,748,880</b>

##### C. Written down value on revaluation (A-B)

<b>7,054,252,659</b>	<b>2,528,589,097</b>
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##### 3. Written down value on cost and revaluation (1+2)

<b>23,025,591,008</b>	<b>17,196,152,412</b>
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Details of property, plant & equipment are shown in 'Annexure-A'

- 4.01 During the year management of the Company carried out a review of the recoverable amount of the manufacturing plant and other related assets. The review does not led to an impairment loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use.
- 4.02 The company has been availing long term lease facility against use of 18.7709 acres land from East West Property Development (Pvt.) Limited. All maintenance cost incurred during the year for the said land bear by BPML but rent or any other cost regarding the use of land has not been bear in current or prior year's as per decision of the both Companies management. During the year the Company has purchased/ transferred 7.249 acre of land out of 18.7709 acre in the name of Bashundhara Paper Mills Ltd. and remaning 11.5219 acre will be transferred soon.
- 4.03 Depreciation begins when the asset is available for use and continues until the asset is derecognized.
- 4.04 The Company has carried out valuation of land of the Company. Details of which disclosed in policy note no. 3.1.5

		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>05.00 Intangible Assets</b>			
<b><u>A. Cost:</u></b>			
Opening Balance	189,627,705	189,627,705	
Less: Transfer/ Disposal during the year	-	-	
Add: Addition during the year	12,644,173	-	
<b>Closing Balance</b>	<b>202,271,878</b>	<b>189,627,705</b>	
<b><u>B. Accumulated amortization:</u></b>			
Opening Balance	38,836,848	30,833,113	
Less: Transfer/ Disposal during the year	-	-	
Add: Charged during the year	7,179,564	8,003,735	
<b>Closing Balance</b>	<b>46,016,412</b>	<b>38,836,848</b>	
<b><u>C. Written down value (A-B)</u></b>	<b>156,255,465</b>	<b>150,790,856</b>	
Details of Intangible assets are shown in 'Annexure- B'			
<b>06.00 Right-Of-Use Assets</b>			
<b><u>A. Cost:</u></b>			
Opening Balance	111,791,600	111,791,600	
Add: Addition during the year	-	-	
<b>Closing Balance</b>	<b>111,791,600</b>	<b>111,791,600</b>	
<b><u>B. Accumulated amortization:</u></b>			
Opening Balance	84,624,684	70,622,580	
Add: Charged during the year	11,873,326	14,002,104	
<b>Closing Balance</b>	<b>96,498,010</b>	<b>84,624,684</b>	
<b><u>C. Written down value (A-B)</u></b>	<b>15,293,590</b>	<b>27,166,916</b>	
Details of right of use of assets are shown in 'Annexure- C'			
<b>07.00 Capital Work-In-Progress</b>			
<b><u>A. Plant and machinery:</u></b>			
Opening balance	439,436,688	945,637,747	
Add: Addition made during the year	630,426,268	932,102,605	
<b>Less:</b> Adjustment/transfer to appropriate asset category	(654,169,238)	(1,438,303,663)	
<b>Closing balance</b>	<b>415,693,718</b>	<b>439,436,688</b>	
<b><u>B. Factory building and other constructions:</u></b>			
Opening balance	413,241,390	371,055,224	
Add: Addition made during the year	334,441,319	785,127,696	
<b>Less:</b> Adjustment/transfer to appropriate asset category	(531,217,652)	(742,941,530)	
<b>Closing balance</b>	<b>216,465,056</b>	<b>413,241,390</b>	
<b><u>C. Intangible assets:</u></b>			
Opening balance	12,244,173	11,508,750	
Add: Addition made during the year	200,000	229,820	
<b>Less:</b> Adjustment/transfer to appropriate asset category	(12,444,173)	505,603	
<b>Closing balance</b>	<b>-</b>	<b>12,244,173</b>	
<b>D. Total (A+B+C)</b>	<b>632,158,774</b>	<b>864,922,251</b>	

**07.01** All the amount of capital work-in-progress for acquisition of plant & machinery which are not ready for use and construction work is underway for factory building. The amount of capital work-in-progress is transferred to appropriate asset category and depreciated when the asset is completed for use.



		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>08.00 Investment</b>			
Investment in shares (unquoted)		265,000,000	265,000,000
<b>Total</b>		<b>265,000,000</b>	<b>265,000,000</b>

**08.01** 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 Inventories</b>			
Raw material		3,898,770,328	3,987,540,727
Finished goods		1,215,595,253	1,114,965,573
Stores and spare parts		1,308,267,084	998,035,751
Work-in-process		1,473,807,724	1,454,530,838
Material in transit		373,460,567	310,186,329
<b>Total</b>		<b>8,269,900,957</b>	<b>7,865,259,218</b>

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

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

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

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

**10.00 Trade & Other Receivables**

Trade receivables	NOTE:10.01	722,461,018	654,624,734
Other receivables	NOTE:10.02	292,185,103	112,195,985
<b>Total</b>		<b>1,014,646,121</b>	<b>766,820,718</b>

<b>10.01 Trade receivables:</b>		<b>722,461,018</b>	<b>654,624,734</b>
Hygiene product		20,019,068	27,129,200
Paper product		333,146,678	123,247,913
Demy paper		-	1,912,635
Paper sack product		13,773,591	148,941,075
Tissue products		149,692,851	213,552,515
Export		205,828,830	139,841,397

<b>10.02 Other receivables:</b>		<b>292,185,103</b>	<b>112,195,985</b>
Other receivables		196,201,164	40,692,456
Cash incentive receivables		95,983,938	71,503,528

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

30-Jun-22	0-90 days past due	90-180 days past due	Dues over 6 onths	Total
Paper products	143,893,836	98,231,109	91,021,733	333,146,678
Tissue products	110,315,202	18,167,252	21,210,397	149,692,851
Hygiene products	13,551,893	403,330	6,063,845	20,019,068
Paper sack products	3,189,716	1,470,655	911,322,20.25	13,773,591
Export	208,252,172	3,209,758	(5,633,101)	205,828,830
<b>Total</b>	<b>479,202,819</b>	<b>121,482,104</b>	<b>121,776,094</b>	<b>722,461,018</b>



30-Jun-21	0-90 days past due	90-180 days past due	Dues over 6 onths	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
<b>Total</b>	<b>323,270,427</b>	<b>229,706,061</b>	<b>101,648,247</b>	<b>654,624,734</b>

	Amount in Taka	
	30-Jun-2022	30-Jun-2021
<b>10.04 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994</b>		
Maturity within 3 months	479,202,819	323,270,427
Maturity over 3 months but within 6 months	121,482,104	229,706,061
Maturity more than 6 months	121,776,094	101,648,247
<b>Total</b>	<b>722,461,018</b>	<b>654,624,734</b>
Debts considered Good & Secured	589,000,177	521,163,893
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	133,460,841
Maximum debt due by directors or officers & staffs at any time	-	-
<b>Total</b>	<b>722,461,018</b>	<b>654,624,734</b>

**10.05** All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

**10.06** There is no such trade receivable due by or to directors or other officers of the Company.

**10.07** Management considered the receivables are collectable and thus no provision had been made for any receivable.

#### **11.00 Advances, Deposits and Prepayments**

##### **Advances:**

Advance against advertisement	3,194,721	785,000
Advance against Legal and consultancy	1,080,000	3,180,000
Advance against insurance premium	105,544	111,620
Advance against land and land development	47,101,339	55,801,339
Advance against motor vehicle	4,420,513	2,228,879
Advance to employee	1,510,540	1,210,740
Advance to other expense	14,346,146	57,966,912
Advance to suppliers	121,277,349	248,419,122
SD current account	80,784	49,361
VAT current account	38,754,057	9,223,195
<b>Total advance</b>	<b>231,870,993</b>	<b>378,976,167</b>

##### **Deposit:**

Bank guarantee margin	17,459,335	18,334,015
Deposit to Bangladesh Bank	150,000,000	150,000,000
L/C margin deposit	213,556,112	121,200,853
Security deposit	82,893,179	81,642,276
<b>Total deposits</b>	<b>463,908,627</b>	<b>371,177,145</b>
<b>Total</b>	<b>695,779,620</b>	<b>750,153,312</b>



		Amount in Taka	
		30-Jun-2022	30-Jun-2021
11.01	These include dues realizable/adjustable within one year from the balance sheet date	184,769,654	323,174,828
11.02	These include aggregate amount due by, executives, managers, officers and staffs	1,510,540	1,210,740
11.03	The maximum aggregated amount due by executives, managers, officers and staffs of the company at the end of any month during the year	400,000	646,092
11.04	Advance recoverable in cash	1,510,540	1,210,740
11.05	Advance outstanding for a year exceeding six months	47,101,339	55,801,339
11.06	<b>Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994</b>		
	Advance, deposits & prepayments considered good & secured	693,869,080	748,296,479
	Advance, deposit & prepayments considered Good without security	-	-
	Advance, deposit & prepayments considered doubtful & bad	-	-
	Advance, deposit & prepayments due by directors or other officers & staffs	1,510,540	1,210,740
	Advance, deposit & prepayments due from companies under same management	-	-
	Maximum advance due by directors or officers & staffs at any time	400,000	646,092
	<b>Total</b>	<b>695,779,620</b>	<b>750,153,312</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 filing 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 2022.		
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>		

		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>11.13 Break up of L/C margin deposit:</b>			
Shahjalal Islami Bank Ltd.		7,802,408	6,660,337
Social Islami Bank Ltd.		-	950,000
Janata Bank		94,706,860	29,477,265
First Security Islami Bank Ltd.		39,325,454	21,693,059
South East Bank Ltd.		38,821,432	30,175,548
National Bank Ltd.		32,899,959	32,244,645
		<b>213,556,112</b>	<b>121,200,853</b>

**11.14 Break up of Security Deposit:**

Name of Company/ Party	Purpose	30-Jun-22	30-Jun-21
Titas Gas Co. Ltd.	Supply of GAS	70,134,867	70,134,867
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	464,000
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	5,193,216	3,942,313
<b>Total</b>		<b>82,893,179</b>	<b>81,642,276</b>

**12.00 Advance Income Tax**

<b>Opening balance</b>	<b>436,146,583</b>	<b>483,959,471</b>
<b>Add: addition during the year, on:</b>	<b>113,250,655</b>	<b>93,885,180</b>
Import of raw materials and machineries	41,445,734	46,910,614
Interest income	77,058	65,404
Sales	54,920,927	34,937,521
License, renewal and registration	7,864,487	5,307,500
Others	8,942,449	6,664,142
Less: adjusted during the year	(182,849,673)	(141,698,068)
<b>Closing balance</b>	<b>366,547,565</b>	<b>436,146,583</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 year 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>9,615,316</b>	<b>24,271,502</b>
<b>Bkash Account</b>	<b>63,485</b>	<b>16,060</b>
<b>Cash at bank</b>	<b>403,258,835</b>	<b>392,110,591</b>
Current deposit	335,995,821	372,591,997
Short term bank deposits (STD)	67,263,014	19,518,595
<b>Cash and bank balances in the statement of cash flows</b>	<b>412,937,636</b>	<b>416,398,153</b>



**14.00 Share Capital**

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

**Authorized share capital:**

500,000,000 nos. ordinary shares of Taka 10 each.

**Issued, subscribed & paid up:**

173,791,441 nos. ordinary shares of Taka 10 each issued and fully paid-up in cash.

**Total**

Amount in Taka	
30-Jun-2022	30-Jun-2021

<b>5,000,000,000</b>	<b>5,000,000,000</b>
1,737,914,410	1,737,914,410
<b>1,737,914,410</b>	<b>1,737,914,410</b>
1,737,914,410	1,737,914,410
-	-
<b>1,737,914,410</b>	<b>1,737,914,410</b>

**14.01 Movement of share capital:**

Opening balance

Issuance of ordinary shares during the year

**Closing balance**

1,737,914,410	1,737,914,410
-	-
<b>1,737,914,410</b>	<b>1,737,914,410</b>

**14.02 Position of shareholding****14.02.1 Percentage of Shareholders**

Name of shareholders	30-Jun-22		30-Jun-21	
	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**

Name of shareholders	No of Share holders		No of shares	
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
1-500 shares	7,052	7,911	1,145,836	1,237,901
501 to 5,000 shares	2,656	2,746	4,848,491	4,804,168
5,001 to 10,000 shares	391	314	2,965,359	2,382,156
10,001 to 20,000 shares	219	172	3,100,981	2,481,926
20,001 to 30,000 shares	86	80	2,115,205	1,928,656
30,001 to 40,000 shares	36	24	1,244,086	829,785
40,001 to 50,000 shares	29	25	1,326,059	1,149,649
50,001 to 100,000 shares	35	28	2,559,279	2,143,557
100,001 to 1,000,000 shares	28	36	6,736,370	7,644,148
1,000,001 to 1,000,000,000 shares	7	8	147,749,775	149,189,495
<b>Total</b>	<b>10,539</b>	<b>11,344</b>	<b>173,791,441</b>	<b>173,791,441</b>

		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>15.00 Share Premium</b>			
Opening Balance		1,739,583,292	1,739,583,292
Add: Addition during the year		-	-
Less: Adjustment during the year		-	-
<b>Closing Balance</b>		<b>1,739,583,292</b>	<b>1,739,583,292</b>

- 15.01** In the year 2017-18 the Company issued 26,041,666 ordinary shares, from which 60% i.e. 15,625,000 ordinary shares for Eligible Investors (EIs) at cut-off price of Tk. 80.00 at a premium Tk. 70 and remaining 40% i.e. 10,416,667 ordinary shares at a 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.)

		Amount in Taka	
		30-06-22	30-Jun-21
		Restated	Reported
<b>16.00 Revaluation Reserve</b>			
Opening Balance	2,306,671,844	2,072,945,223	2,072,945,223
<b>Add: Addition during the year</b>	<b>4,406,185,151</b>	-	-
Increase arising on revaluation of freehold land	4,542,458,919	-	-
Related tax NOTE 16.01	(136,273,768)	-	-
Adjustment of deferred tax on revaluation reserve	-	252,782,737	-
<b>Less: Transferred to retained earnings</b>	<b>(13,436,286)</b>	<b>(19,056,116)</b>	<b>(19,772,743)</b>
Depreciation on revaluation reserve	(16,795,358)	(24,588,537)	(19,772,743)
Deferred tax on revaluation reserve	3,359,072	5,532,421	-
<b>Closing Balance</b>	<b>6,699,420,709</b>	<b>2,306,671,844</b>	<b>2,053,172,481</b>

- 16.01** Tax rate, as per Section 53H of the Income Tax Ordinance 1984 read with Income Tax Rule 17II

<b>17.00 Retained Earnings</b>			
Opening balance	2,580,788,166	2,176,583,611	2,176,583,611
<b>Add:</b> Profit attributable to the owners of the Company	507,848,139	411,190,105	411,190,105
Transferred from properties revaluation reserve	13,436,286	19,056,116	19,772,743
<b>Less:</b> Payment of dividend	(208,549,729)	(26,041,666)	(26,041,666)
<b>Closing balance</b>	<b>2,893,522,862</b>	<b>2,580,788,166</b>	<b>2,581,504,792</b>

<b>18.00 Long Term Borrowings</b>			
Long term borrowings		14,520,511,661	14,012,129,960
Other Finance		835,884,312	1,069,789,779
<b>Total Long Term borrowings</b>		<b>15,356,395,973</b>	<b>15,081,919,739</b>
Less: Current portion of long term borrowings		(1,981,213,717)	(2,008,018,551)
<b>Due after one year</b>		<b>13,375,182,257</b>	<b>13,073,901,189</b>





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

Type of loan	Limit	Purpose	Security
<b>Project loan</b>	31.21	To establish and support the project.	1. 737.75 decimal of project land at Anarpura, Gazaria, Munshigonj. 2. 1,258.50 decimal of land at Char Ramzan Shonaullah, Narayanganj. 3. 60.51 decimal land of Bashundhara R/A and Stock under pledge godown.
<b>Term loan</b>	1,597.55	1. Importation of raw materials and spare parts. 2. To retire import documents. 3. To meet working capital requirements."	1. 4133.65 decimal plant land. 2. 2738.96 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.
<b>Lease</b>	5.12	Machinery and Vehicle	Machinery and Vehicle title/ ownership.

**19.00 Lease Liabilities**

Islamic Finance & Investment Ltd.

First Security Islami Bank Ltd.

**Total lease liabilities**

Less: Current portion of lease liabilities

**Due after one year**

Amount in Taka	
30-Jun-2022	30-Jun-2021
16,153,364	27,132,747
-	329,312,751
<b>16,153,364</b>	<b>356,445,498</b>
(16,153,364)	(148,851,833)
<b>-</b>	<b>207,593,665</b>

**19.01** 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.

**20.00 Deferred Tax (Assets) / Liabilities**

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:

	Amount in Taka		
	30-06-22	30-Jun-21	
		Restated	Reported
<b>Opening balance</b>	<b>930,887,110</b>	<b>1,189,125,397</b>	<b>1,189,125,397</b>
<b>Provided during the year:</b>	<b>163,349,371</b>	<b>(5,455,550)</b>	<b>(5,455,550)</b>
Deferred tax income	(110,462,244)	(171,530,158)	(171,530,158)
Deferred tax expense	380,301,667	262,461,210	262,461,210
Deferred tax income resulting from reduction in income tax rate	(106,490,052)	(96,386,602)	(96,386,602)
Adjustment made during the year	-	(252,782,737)	-
<b>Closing balance</b>	<b>1,094,236,481</b>	<b>930,887,110</b>	<b>1,183,669,847</b>

## 20.01 Temporary timing difference:

As at June 30, 2022	Accounting base Carrying Amount	Tax base Carrying Amount	Temporary Difference
Property, Plant and equipment	15,564,035,688	(8,472,646,171)	7,091,389,518
Right-of-use assets	15,293,590	(21,611,286)	(6,317,696)
Intangible assets	156,255,465	(111,453,604)	44,801,861
Pre-operating expenses	-	(51,299,323)	(51,299,323)
Unused tax loss carry forward	-	(2,148,409,933)	(2,148,409,933)
Difference for vehicle	-	(2,734,051)	(2,734,051)
<b>Net taxable temporary difference</b>	<b>15,735,584,744</b>	<b>(10,808,154,368)</b>	<b>4,927,430,376</b>
Applicable tax rate			20%
<b>Deferred tax liability-30 June 2022</b>			<b>985,486,075</b>
Deferred tax liability-30 June 2021			(958,410,472)
Adjustment to opening deferred tax liability resulting from reduction in tax rate @ 2.50%			106,490,052
<b>Deferred tax expense/ (income) for the year</b>			<b>133,565,656</b>

As at June 30, 2021	Accounting base Carrying Amount	Tax base Carrying Amount	Temporary Difference
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			22.5%
<b>Deferred tax liability-30 June 2021</b>			<b>958,410,472</b>
<b>Less: Deferred tax liability-30 June 2020</b>			<b>(963,866,022)</b>
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>



## 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-22	Property, plant & equipment	1,232,326,089	95,199,384	-	1,327,525,473
	Difference for vehicle*	(768,952)	222,142	-	(546,811)
	Intangible assets	8,794,437	165,936	-	8,960,373
	Pre-operating expenses	(12,149,839)	1,889,975	-	(10,259,864)
	Unused tax loss	(360,578,074)	(69,103,912)	-	(429,681,987)
	Right-of-use assets	34,382	(1,297,921)	-	(1,263,539)
	Revaluation	63,229,068	-	136,273,768	199,502,835
	<b>Total</b>	<b>930,887,110</b>	<b>27,075,603</b>	<b>-</b>	<b>1,094,236,481</b>
Restated 30-Jun-21	Property, plant & equipment	1,089,740,667	142,585,422	-	1,232,326,089
	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)	(148,712,689)	-	(360,578,074)
	Right-of-use assets	1,850,347	(1,815,965)	-	34,382
	Revaluation	63,229,068	-	-	63,229,068
	<b>Total</b>	<b>936,342,660</b>	<b>(5,455,550)</b>	<b>-</b>	<b>930,887,110</b>
Year	Particulars	Opening balance	Recognized in profit & loss	Recognized in Other Comprehensive Income	Closing balance
Reported 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	-	8,794,436
	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>

## 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-2022	30-Jun-2021
<b>21.00 Long Term Borrowings-Current Portion</b>			
Bank loan		1,981,213,717	2,008,018,551
Finance Lease obligation		16,153,364	148,851,833
<b>Total</b>		<b>1,997,367,081</b>	<b>2,156,870,384</b>

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

**22.00 Short Term Borrowings**

Short term borrowings	3,993,660,017	2,634,775,834
<b>Total</b>	<b>3,993,660,017</b>	<b>2,634,775,834</b>

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

Type of loan	Limit	Purpose	Security
Overdraft	181.78		1. 4,133.65 decimal plant land.
Demand/ Force loan/ UPAS/ LC/ ABP	1,820.00	1. Importation of raw materials and spare parts. 2. To retire import documents. 3. To meet working capital requirements.	2. 2,738.96 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.
LTR	132.44		5. Project plant & machineries.

**23.00 Trade and Other Payables**

Trade Payable	519,303,468	472,184,455
Other Payable	679,486,799	672,679,684
<b>Total</b>	<b>1,198,790,267</b>	<b>1,144,864,139</b>

**23.01 Trade Payables**

Unit - 1	276,746,149	286,461,028
Unit - 2	20,871,719	40,462,574
Unit - 3	221,685,600	145,260,853
<b>Total</b>	<b>519,303,468</b>	<b>472,184,455</b>

**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.



		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>23.02 Other Payable</b>			
Payable for advertisement	102,009,054	70,556,295	
Payable for C & F bill	28,526,778	28,522,964	
Payable for consultancy	857,500	367,500	
Payable for director remuneration	5,333,542	7,000,000	
Payable for expenses	32,188,963	42,754,722	
Payable for insurance premium	1,309,422	1,400,174	
Payable for motor vehicle	2,091,278	3,878,199	
Payable for office rent	1,980,600	1,697,000	
Payable for provident fund	2,930,156	5,073,220	
Payable for tax & VAT at source	2,114,993	1,300,189	
Payable for VAT	4,999,365	19,125,711	
Payable for transportation	171,905	407,905	
Payable for workers' profit participation & welfare fund	80,088,733	70,068,580	
Payable to carrying contractor	43,606,344	80,115,999	
Payable to contractors	103,128	3,862,901	
Payable for Electric bill	914,570	2,184,375	
Payable for Gas bill	204,631,440	171,815,088	
Payable for Labor & wages	21,265,490	25,685,354	
Payable for Salary and allowances	136,800,710	128,375,561	
Unclaimed Dividend Account	3,373,341	3,516,280	
Unclaimed Subscription	301,054	271,667	
Security deposit dealer/ distributor	3,888,434	4,700,000	
<b>Total</b>	<b>679,486,799</b>	<b>672,679,684</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 2022 has been paid in subsequent month.

**23.2.4** All the utility bills like gas, electricity and others for the month of June 2022 has been paid to the subsequent month.

**23.2.5 Unclaimed Dividend Account year wise breakup is as follows:**

Year	Dividend Rate	Gross Dividend Amount	Net Dividend Amount	Unclaimed Amount	Remarks
2018-2019	20%	347,582,882	290,094,559	246,852,183	Cash Dividend
2019-2020	15%	39,062,499	33,319,400	252,614,049	Cash Dividend
2020-2021	10%	26,041,666	22,347,982	3,516,280	Cash Dividend
2021-2022	12%	208,549,729	174,210,466	3,373,341	Cash Dividend

		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>24.00 Provision For Expenses</b>			
Audit fees	460,000	273,913	
Other expense	701,873	49,874,767	
Gas bill	-	1,595,082	
<b>Total</b>	<b>1,161,873</b>	<b>51,743,762</b>	
<b>25.00 Income Tax Provision</b>			
Opening balance	173,216,625	316,511,236	
Add: Current tax expense in respect of the current year	67,569,788	55,701,700	
Less: Adjustment made during the year	(117,514,925)	(198,996,311)	
<b>Closing balance</b>	<b>123,271,488</b>	<b>173,216,625</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
2018-2019	66,235,531	72,814,525	6,578,994	70,831,934	66,235,531
2019-2020	51,279,394	110,035,148	58,755,754	109,262,362	51,279,394
<b>Total</b>	<b>117,514,925</b>	<b>182,849,673</b>	<b>65,334,748</b>	<b>180,094,296</b>	<b>117,514,925</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
2021-2022	2022-2023	-	Current year	-	123,271,488
2020-2021	2021-2022	83(2)	Assessment is underway	1,029,584	55,701,700

## 26.00 Revenue From Contracts With Customers

Gross Sales

VAT

SD

**Sales Local**

Sales Export

**Total**

Amount in Taka	
30-Jun-2022	30-Jun-2021
10,738,283,918	8,882,946,587
(655,017,487)	(584,462,666)
(42,699,995)	(27,643,490)
<b>10,040,566,435</b>	<b>8,270,840,431</b>
1,197,400,812	1,012,016,638
<b>11,237,967,247</b>	<b>9,282,857,069</b>

## 26.01 Segment revenues:

The following is an analysis of the Company's gross revenue including export sales from operations of its major products and services by reportable segment for the year ended June 30, 2022:

## 26.02

Products	UNIT-1	UNIT-2	UNIT-3	Total
Paper product	3,450,719,156	29,074,498	945,210,293	4,425,003,947
Tissue product	475,406,156	-	3,894,923,627	4,370,329,783
Paper Sack product	56,789,834	-	-	56,789,834
Hygiene product	23,897,507	-	1,862,262,845	1,886,160,353
<b>Local Sales</b>	<b>4,006,812,653</b>	<b>29,074,498</b>	<b>6,702,396,766</b>	<b>10,738,283,918</b>
Export Sales	953,189,272	-	244,211,540	1,197,400,812
<b>Total</b>	<b>4,960,001,925</b>	<b>29,074,498</b>	<b>6,946,608,306</b>	<b>1,935,684,729</b>

Revenue from export	In USD (\$)		In BDT	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Paper product	3,255,423	2,189,782	281,089,511	185,803,045
Tissue paper product	10,612,210	9,737,015	916,311,301	826,185,706
Hygiene product	-	329	-	27,887
<b>Total</b>	<b>13,867,633</b>	<b>11,927,126</b>	<b>1,197,400,812</b>	<b>1,012,016,638</b>

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



		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>27.00 Cost Of Sales</b>			
Opening stock of finished goods		1,114,965,573	1,205,490,807
Add: Cost of goods manufactured	NOTE 27.01	9,088,244,780	7,269,501,228
<b>Cost of goods available for sale</b>		<b>10,203,210,352</b>	<b>8,474,992,035</b>
Less: Closing stock of finished goods		(1,215,595,253)	(1,114,965,573)
<b>Cost of Sales</b>		<b>8,987,615,099</b>	<b>7,360,026,462</b>
<b>27.01 Cost of goods manufactured</b>			
<b>Material Consumption</b>		<b>6,588,543,229</b>	<b>4,941,642,423</b>
Opening stock		3,987,540,728	3,806,453,628
Add: Purchase during the year		6,499,772,830	5,122,729,522
Less: Closing stock		(3,898,770,328)	(3,987,540,727)
<b>Factory overhead</b>		<b>2,518,978,438</b>	<b>2,599,959,486</b>
Salary and allowances		634,411,886	694,224,280
Gas bill		719,530,341	669,227,768
Electricity bill		15,108,111	22,458,698
Labour and wages		152,097,492	136,043,755
Repair and maintenance		101,051,018	110,715,324
Other direct expenses		60,540,495	41,788,552
Depreciation	Annex.-A	836,239,095	925,501,109
<b>Add: Opening work in process</b>		<b>1,454,530,838</b>	<b>1,182,430,157</b>
<b>Less: Closing work in process</b>		<b>(1,473,807,724)</b>	<b>(1,454,530,838)</b>
<b>Total</b>		<b>9,088,244,780</b>	<b>7,269,501,228</b>
<b>27.11 Other direct expenses</b>			
Carriage inwards		18,456,298	1,419,338
Conveyance		646,991	577,113
Entertainment		7,797,487	1,222,974
License, renewal and registration		3,166,198	4,219,072
Office expense		1,605,416	2,815,014
Office repair & maintenance		1,675,031	316,477
Vehicle Oil, fuel, CNG, lubricant & maintenance		13,665,810	16,828,519
Company's contribution to PF		11,038,906	9,837,514
Postage, telephone and fax		1,739,611	2,182,139
Rent, rates & taxes		676,410	1,451,350
Stationery		72,338	54,833
Utility bill		-	864,210
<b>Total</b>		<b>60,540,495</b>	<b>41,788,552</b>

## 27.02 Analysis of materials consumed

Category	Unit	Quantity		Value	
		30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Raw materials	MT	83,001	98,517	5,742,192,670	4,095,774,572
Chemicals	MT	3,497	4,162	512,170,551	718,119,936
Packing materials	Various	-	-	334,180,008	127,747,915
<b>Total</b>		<b>86,498</b>	<b>102,679</b>	<b>6,588,543,229</b>	<b>4,941,642,423</b>

## 27.03 Quantitative details of raw materials

Description	Unit	Opening Stock	Purchase	Consumption	Closing Stock
30-Jun-22					
Raw materials	MT	19,767	97,388	83,001	34,155
Chemicals	MT	4,184	2,657	3,497	3,344
30-Jun-21					
Raw materials	MT	19,192	99,092	98,517	19,767
Chemicals	MT	5,369	2,976	4,162	4,184

\*\*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-22					
White writing & printing	MT	1,252.04	21,295.54	21,906.84	640.74
Bidi paper	MT	0.60	1,745.35	1,744.01	1.94
BBS	MT	425.52	6,350.42	6,545.06	230.88
Coated paper	MT	52.55	1,050.72	1,084.03	19.23
Newsprint	MT	136.41	1,897.86	1,971.57	62.70
Carbon less coating paper	MT	129.78	2,290.34	2,408.12	12.00
Glassine paper/Color/Ledger	MT	115.52	-	6.28	109.23
Liner Paper	MT	-	-	-	-
White Liner Paper	MT	12.07	-	-	12.07
Packaging Paper	MT	411.53	4,901.20	5,040.03	272.69
Medium Paper/Art Card	MT	-	2,498.02	2,446.25	51.77
Cupstok Paper	MT	-	1,478.59	1,442.63	35.96
Sticker Paper	MT	-	105.29	98.97	6.32
Paper Sack	MT	13.17	27.63	27.63	13.17
Tissue product	MT	1,316.15	27,223.05	26,411.38	2,127.82
Monalisa Sanitary Napkin	KG	25,978.41	93,571.00	96,336.00	23,213.41
Tooth pick, cotton buds, straw etc	PKT	1,201.00	1,084,476.00	1,079,005.00	6,672.00
Baby Diaper	KG	50,108.07	131,800.00	158,771.00	23,137.07
Baby Diaper loose	KG	7,373.01	9,286.00	12,882.00	3,777.01
Baby Diapant	KG	360,885.70	3,237,935.00	3,294,480.00	304,340.70
Baby wet wipes	KG	21,359.59	1,907,346.00	1,868,082.00	60,623.59
Wet Tissue	PKT	5,000.15	28,008.00	21,880.00	11,128.15
Hand Gloves	PKT	10,502.00	-	-	10,502.00
Feeding Bottle	PKT	83,804.00	1,348,039.00	1,357,068.00	74,775.00
Air Freshener	PCS	-	13,114.00	12,769.00	345.00
Xtreme Mosquito Coil	PCS	245,242.00	3,826,716.00	3,761,060.00	310,898.00

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	1,546.56	30,629.46	30,859.87	1,316.15
Monalisa Sanitary Napkin	KG	32,820.04	123,270.37	130,112.00	25,978.41
Tooth pick, cotton buds, straw etc	PKT	6,007.00	228,317.00	233,123.00	1,201.00
Baby Diaper	KG	28,407.08	204,438.41	182,737.42	50,108.07
Baby Diaper loose	KG	5,373.52	30,726.42	28,726.93	7,373.01
Baby Diapant	KG	364,589.50	2,804,767.46	2,808,471.26	360,885.70
Baby wet wipes	KG	38,094.69	481,062.35	497,797.44	21,359.59
Wet Tissue	PKT	10,000.15	-	5,000.23	4,999.92
Hand Gloves	PKT	10,502.00	-	-	10,502.00
Feeding Bottle	PKT	57,412.00	1,539,547.00	1,513,155.00	83,804.00
Xtreme Mosquito Coil	PCS	104,921.00	7,086,532.00	6,946,211.00	245,242.00



		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>28.00 Other Income</b>			
Scrap sales & other recoveries	22,867,472	-	
Cash Incentive	127,603,270	66,641,712	
Foreign Exchange gain	4,829,587	-	
Other Income	305,622	200,000	
Interest income	796,650	759,576	
<b>Total</b>	<b>156,402,602</b>	<b>67,601,288</b>	
<b>29.00 Administrative Expenses</b>			
Audit fee	575,000	453,500	
Credit Ratings Fees	300,000	322,500	
Salaries and allowances	193,856,859	191,913,943	
Director remuneration	18,000,000	36,000,000	
Entertainment	3,436,280	3,254,935	
Insurance premium	15,695,074	16,530,551	
Advisory, legal and consultancy	881,270	54,656	
License, renewal and registration	7,500,087	2,264,019	
Corporate and Social responsibility expenses	10,253,917	8,108,407	
Rent and rates	8,306,339	7,837,118	
Office repair and maintenance	7,745,161	8,260,985	
IT & computer expense	1,399,247	970,765	
Annual General Meeting expense	656,555	1,204,687	
Postage, telegram and fax	1,354,949	527,941	
Company's contribution to PF	5,396,567	5,584,355	
Stationery	49,926	892,579	
Telecommunication expense	6,512,052	6,880,740	
Travelling and Conveyance	1,280,654	2,770,435	
Utilities	5,766,322	7,356,431	
Vehicle running and maintenance	5,153,863	3,991,843	
Vehicle oil, fuel & lubricant	6,101,320	6,273,468	
Depreciation	44,012,584	48,710,585	
Amortisation of intangible assets	7,179,564	8,003,735	
<b>Total</b>	<b>351,413,590</b>	<b>368,168,177</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	18,000,000	3,660,207	14,339,793
<b>Total</b>		<b>18,000,000</b>	<b>3,660,207</b>	<b>14,339,793</b>

		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>30.00 Selling And Distribution Expenses</b>			
Salaries and allowances		170,978,360	160,850,639
Advertisement		12,253,954	12,624,856
Carriage outwards		6,276,788	8,570,666
Company's contribution to PF		184,280	125,900
Foreign Exchange loss		-	1,128,103
Commission on sales		8,275,531	13,142,246
Conveyance		1,065,408	556,630
<b>Total</b>		<b>199,034,321</b>	<b>196,999,041</b>
<b>31.00 Finance Costs</b>			
Interest on bank overdrafts and loans		1,129,804,948	937,284,789
Bank charges and commission		5,359,177	7,400,395
Interest on obligations under finance lease		18,165,579	55,171,060
<b>Total financial expense</b>		<b>1,153,329,704</b>	<b>999,856,244</b>
Less: Amounts included in the cost of qualifying assets		-	-
<b>Total</b>		<b>1,153,329,704</b>	<b>999,856,244</b>
<b>32.00 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>132,904,536</b>	<b>(1,596,543)</b>
Current tax expense in respect of the current year		67,569,788	55,701,700
Adjustments recognized in the current year in relation to the current tax of prior year's		65,334,748	(57,298,243)
<b>b. Deferred tax expense/ (income):</b>		<b>27,075,603</b>	<b>(5,455,550)</b>
Deferred tax expenses recognized in the year		133,565,656	90,931,052
Adjustments to deferred tax attributable to changes in tax rates and laws		(106,490,052)	(96,386,602)
<b>c. Total income tax expense recognized in the current year (a+b)</b>		<b>159,980,139</b>	<b>(7,052,093)</b>
<b>32.01 The income tax expense for the year can be reconciled to the accounting profit as follows:</b>			
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		667,828,278	404,138,012
Less: Share of profit of equity		-	-
		<b>667,828,278</b>	<b>404,138,012</b>
Tax on accounting profits @20% ( 2020-2021 @ 22.5%)		133,565,656	90,931,053
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		67,569,788	55,701,700
Effect of unused tax losses and tax offsets not recognized as deferred tax assets		-	-
Effect of previously unrecognized and unused tax losses and deductible temporary differences now recognized as deferred tax assets		-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions		-	-
Effect on deferred tax balances due to the change in income tax rate		(106,490,052)	(96,386,602)
Effect of unused tax credits		-	-
		94,645,391	50,246,151
Adjustments recognized in the current year in relation to the current tax of prior years		65,334,748	(57,298,243)
<b>Income tax expense recognized in profit or loss</b>		<b>159,980,139</b>	<b>(7,052,092)</b>





		Amount in Taka	
		30-Jun-2022	30-Jun-2021
<b>33.00 Earnings Per Share (Eps)</b>			
<b>33.01 Basic Earnings per Share:</b>			
Profit attributable to the Ordinary Shareholders	507,848,139	411,190,105	
Weighted Average Number of shares	173,791,441	173,791,441	
<b>Basic Earnings Per Share</b>	<b>2.92</b>	<b>2.37</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>33.04 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>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.	2,135,561,124	1,212,008,530	
VAT claimed which is under jurisdiction of Hon'ble Supreme Court.	20,752,670	20,752,670	
Claim of income tax against the company.	1,029,584	5,974,684	
Guarantees issued by the Company's scheduled bank to third parties on counter indemnities given by the Company.	174,593,359	183,340,152	
<b>Total</b>	<b>2,331,936,737</b>	<b>1,422,076,036</b>	
<b>Capital commitment and Contingent liabilities</b>	<b>2,331,936,737</b>	<b>1,422,076,036</b>	
<b>35.01 L/C ( Sight/UPAS/Deferred) Liabilities</b>			
Shahjalal Islami Bank Ltd.	78,024,085	66,603,372	
Social Islami Bank Ltd.	-	9,500,000	
Janata Bank	947,068,598	294,772,645	
First Security Islami Bank Ltd.	393,254,536	216,930,591	
South East Bank Ltd.	388,214,315	301,755,476	
National Bank Ltd.	328,999,590	322,446,446	
<b>Total</b>	<b>2,135,561,124</b>	<b>1,212,008,530</b>	
<b>35.02 Bank Guarantee</b>			
Social Islami Bank Ltd.	13,312,030	13,312,030	
Mercantile Bank Ltd.	300,000	300,000	
Southeast Bank Ltd.	129,440,000	137,320,000	
Shahjalal Islami Bank Ltd.	31,541,329	32,408,123	
<b>Total</b>	<b>174,593,359</b>	<b>183,340,152</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

Add: Sales during the year

Closing trade and other receivables except receivable against cash Incentive

**Total**

Amount in Taka	
30-Jun-2022	30-Jun-2021

766,820,718	1,404,774,156
11,935,684,729	9,894,963,225
(1,039,126,531)	(762,072,987)
<b>11,663,378,917</b>	<b>10,537,664,394</b>

#### 36.01 Receipts from other income:

Other income

Less: Incentive receivables

**Total**

156,402,602	67,601,288
24,480,410	(266,089)
<b>180,883,012</b>	<b>67,335,200</b>

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

Purchase of raw materials

Administrative expense

Workers' profit participation & welfare fund

Selling & distribution expense

Factory overhead

Increase/ (decrease) in material in transit

Increase/ (decrease) in Stores and spare parts

(Increase)/ decrease in trade payables and other payable

(Increase)/ decrease in provision for expense

Increase/ (decrease) in advance, deposit & prepayments

Adjustment for non-cash item:

Amortization of intangible assets

Depreciation expense

**Total**

6,499,772,830	5,122,729,522
351,413,590	368,168,177
35,148,857	21,270,422
199,034,321	196,999,041
2,518,978,438	2,599,959,486
63,274,238	38,311,329
310,231,334	(457,058)
(55,713,050)	434,431,972
50,581,889	58,335,086
(47,865,327)	39,209,096
(7,179,564)	(8,003,735)
(880,251,679)	(974,211,694)
<b>9,037,425,874</b>	<b>7,896,741,641</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, 2022 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	2021-2022	2020-2021
Revenue, net of VAT	11,237,967,247	9,282,857,069
Cost of sales	8,987,615,099	7,360,026,462
<b>Gross Profit</b>	<b>2,250,352,148</b>	<b>1,922,830,607</b>
<b>Assets and Liabilities</b>		
Segment Assets excludes Cash & Cash Equivalents	34,441,173,100	28,322,412,267
Segment Liabilities excludes tax liabilities	21,660,397,975	20,200,636,083

### 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-22	Compensation
East West Property Development (Pvt.) Ltd.	Shareholder & Sister Concern	Long term Loan	(1,080,664,726)	Market Price
East West Media Group Ltd.	Sister Concern	Short term Loan	156,078,846	Market Price
Bashundhara Steel and Engineering Ltd.	Sister Concern	Short term Loan	56,790,293	Market Price
Bashundhara Multi-Paper Industries Ltd.B	Sister Concern	Short term Loan	(271,910,559)	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	(170,566,492)	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	25,417,465	Market Price
Bashundhara Food & Beverage Industries Ltd.	Sister Concern	Short term Loan	(10,434,169)	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	211,253,021	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	192,989,776	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	2,897,000	Market Price
Bashundhara Multi Trading Ltd.	Sister Concern	Short term Loan	(2,218,218)	Market Price
Bashundhara Multi Steel Industries Ltd.	Sister Concern	Short term Loan	60,706,280	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-22	30-Jun-21
	Provided	Adjusted		
East West Property Development (Pvt.) Ltd.	205,389,584	259,672,000	(1,080,664,726)	(1,026,382,310)
East West Media Group Ltd.	15,000,000	-	156,078,846	141,078,846
Bashundhara Steel and Engineering Ltd.	-	200,000	56,790,293	56,990,293
Bashundhara Multi-Paper Industries Ltd.	88,900,000	23,000,000	(271,910,559)	(337,810,558)
Bashundhara Infrastructure Development Ltd.	-	-	3,281,222	3,281,222
Bashundhara Industrial Complex Ltd.	-	5,600,000	(170,566,492)	(164,966,492)
Bashundhara Industrial Complex Ltd.	-	-	265,000,000	265,000,000
Bashundhara Cement Industries Ltd.	-	-	(1,681,564)	(1,681,564)
Sundarban Industrial Complex Ltd.	28,400,000	10,200,000	25,417,465	7,217,465
Bashundhara Food & Beverage Industries Ltd.	150,000	11,400,000	(10,434,169)	815,831
Bashundhara Packaging & Accessories Industries Ltd.	-	-	1,371,500	1,371,500
Bashundhara Airways Ltd.	44,076,875	-	211,253,021	167,176,147
Bashundhara Amusement Park Ltd.	-	-	22,897,872	22,897,872
Bashundhara LP Gas Ltd.	-	-	(189,475,479)	(189,475,479)
Meghna Cement Mills Limited	-	-	54,363,621	54,363,621
Bashundhara Industrial Economic Zone	80,000,000	-	192,989,776	112,989,776
Bashundhara Chemical Industries Ltd.	-	-	30,720,000	30,720,000
Toggi Services Ltd.	-	-	72,300,000	72,300,000
Toggi Real Estate & Construction Ltd.	675,000	-	2,897,000	2,222,000
Bashundhara Multi Trading Ltd.	23,736,010	112,050,000	(2,218,218)	86,095,772
Bashundhara Multi Steel Industries Ltd.	107,700,000	68,000,000	60,706,280	21,006,280
Toggi Shipping & Logistics Ltd.	210,000,000	60,000,000	-	(150,000,000)
Millennium Media Ltd.	11,880,000	31,880,000	-	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-22	30-Jun-21
East West Property Development Ltd.	Shareholder/ Sister Concern	Trade payable/ receivable	(19,760,711)	19,503,639
Bashundhara Airways Ltd.	Sister Concern	Do	4,424,407	6,409,736
Bashundhara Amusement park Ltd.	Sister Concern	Do	9,600,614	7,141,204
Bashundhara LP Gas Ltd.	Sister Concern	Do	(131,702,567)	(3,173,712)
Bashundhara Logistics Ltd.	Sister Concern	Do	-	1,281,536
Bashundhara Oil & Gas Company Ltd.	Sister Concern	Do	11,041	300,812
Bashundhara Steel and Engineering Ltd.	Sister Concern	Do	-	117,738
Bashundhara Multi-Paper Industries Ltd.	Sister Concern	Do	(154,132,864)	153,884,277
East West Media Group Ltd.	Sister Concern	Do	(3,722,980)	(532,029)
Sundarban Industrial Complex Ltd.	Sister Concern	Do	525,674	(92,866)
Meghna Cement Mills Ltd.	Sister Concern	Do	-	8,651,204
Bashundhara Cement Industries Ltd.	Sister Concern	Do	-	411,600
International Convention City Bashundhara	Sister Concern	Do	(7,660)	1,395,860
Bashundhara Food & Beverage Industries Ltd.	Sister Concern	Do	25,688,566	7,918,095
Bashundhara Infrastructure Development Ltd.	Sister Concern	Do	106,540	826,181
Toggi Services Ltd.	Sister Concern	Do	7,512,096	(154,789)
Bashundhara Industrial Complex Ltd.	Sister Concern	Do	(95,288)	226,463,603
Bashundhara Multi Food Industries Ltd.	Sister Concern	Do	6,087,723	5,298,047
Toggi Services Ltd.	Sister Concern	Do	(189,285)	(91,553)
Bashundhara Technologies Ltd.	Sister Concern	Do	-	14,000
Bashundhara Industrial Economic Zone	Sister Concern	Do	14,282,163	(559,164)
Bashundhara Chemical Industries Ltd.	Sister Concern	Do	28,059,777	1,807,718
Toggi Real Estate Company Limited	Sister Concern	Do	2,823,202	72,936
Bashundhara Multi Trading Ltd.	Sister Concern	Do	3,358,847	1,040,832
Bashundhara Multi Steel Industries Ltd.	Sister Concern	Do	222,804,299	2,000
Toggi Shipping & Logistics Ltd.	Sister Concern	Do	530,255	2,000
Millennium Media Ltd.	Sister Concern	Do	(54,298,415)	187,007
Bashundhara Readymix & Construction Limited	Sister Concern	Do	36,852,849	-
Bashundhara Prefabricated Building Manufacturing Industries Ltd.	Sister Concern	Do	1,127,349	1,120,749



**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:-**

	Amount in Taka	
	2021-2022	2020-2021
Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager	18,000,000	36,000,000
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 year.	-	-
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	18,000,000	36,000,000
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
	<b>18,000,000</b>	<b>36,000,000</b>

**38.05 Disclosure requirements of IAS 24, Para 18 minimum disclosure shall include**

a) The amount of transaction	18,000,000	36,000,000
b) The amount of outstanding balance, including commitments, and:	(552,884,311)	(768,789,779)
i) Their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement; and	Remuneration, Working Capital Management	Remuneration, Working Capital Management
ii) details of any guarantee given or received	Nil	Nil
c) Provisions for doubtful debts related to the amount of outstanding balances; and	Nil	Nil
d) The expenses recognized during the year in respect of bad or doubtful debts due from related parties	Nil	Nil

**38.06 Aggregated amount of Remuneration, Fess, Salary & Wages of employees are given below:**

Directors Remuneration	18,000,000	36,000,000
Board Meeting Attendance Fees	-	-
Wages & Allowance	152,097,492	136,043,755
Salary & Allowance	999,247,105	1,046,988,861
<b>Total</b>	<b>1,169,344,597</b>	<b>1,219,032,616</b>



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

		Amount in Taka	
		2021-2022	2020-2021
<b>39.00 Employees</b>			
Number of employees whose salary below Tk 3,000 per month	-	-	-
Number of employees whose salary above Tk 3,000 per month	3,670	3,633	
<b>Total</b>	<b>3,670</b>	<b>3,633</b>	

#### 40.00 Production Capacity & Utilization

Machine production capacity and its utilization as on June 30, 2022 is as follows:

Product	UoM	Machine Origin Capacity	Machine Installed Capacity	Actual Production	Capacity utilized
Paper & Tissue	MT	133,100	87,480	67,561	77%
Paper & Tissue-Converting	MT	70,260	70,254	39,528	56%
Sack Bag	MT	10,809	10,809	1,764	16%
Sludge Board	MT	1,667	1,667	630	38%
Paper Core	Inch	36,288,000	36,288,000	10,870,992	30%
Monalisa Sanitary Napkin	KG	1,550,016	1,550,016	93,571	6%
Baby Diaper	KG	1,509,581	1,509,581	141,086	9%
Baby Diapant	KG	5,443,200	5,443,200	3,237,935	59%
Wet Tissue	PKT	6,739,200	6,739,200	28,008	0.4%
Wet Wipes	KG	3,369,600	3,369,600	1,907,346	57%
Face Mask	Box	1,440,000	1,440,000	1,084,476	75%

#### 41.00 Net Asset Value (Nav) Per Share

Total Assets	34,854,110,736	28,738,810,420
<b>Less:</b> Intangible Assets	(156,255,465)	(150,790,856)
Total Liabilities	(21,783,669,464)	(20,373,852,708)
<b>Net Asset Value (NAV)</b>	<b>12,914,185,807</b>	<b>8,214,166,855</b>
Weighted Average Number of Ordinary shares outstanding during the year	173,791,441	173,791,441
<b>Net Asset Value (NAV) Per Share (per value Tk. 10 each)</b>	<b>74.31</b>	<b>47.26</b>

#### 42.00 Net Operating Cash Flow (Nocfps) Per Share

Net Operating Cash Flows	1,990,508,740	1,994,866,222
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>11.45</b>	<b>11.48</b>



		Amount in Taka	
		2021-2022	2020-2021
<b>43.00</b>	<b>Reconciliation Of Operating Cash Flow With Net Profit</b>		
	Net Profit after tax	507,848,139	411,190,105
	<b>Adjustment for:</b>		
	Income tax expense recognized in profit and loss	159,980,139	(7,052,093)
	Workers' profit participation & welfare fund	35,148,857	21,270,422
	Amortization of intangible assets	7,179,564	8,003,735
	Depreciation of non-current assets	880,251,679	974,211,694
		<b>1,590,408,378</b>	<b>1,407,623,863</b>
	<b>Adjustment for separate consideration</b>		
	Finance cost recognized in profit and loss	1,147,970,527	992,455,849
	<b>Movements in working capital:</b>		
	(Increase)/decrease in inventories	(404,641,739)	(400,516,815)
	(Increase)/decrease in trade and other receivables	(247,825,402)	642,435,081
	(Increase)/decrease in advance, deposit and prepayment	47,865,327	(39,209,096)
	Increase/(decrease) in trade payables & other payables	20,564,193	(455,702,394)
	Increase/(decrease) in provision for expense	(50,581,889)	(58,335,086)
	<b>Cash generated from operations</b>	<b>(634,619,511)</b>	<b>(311,328,311)</b>
	Income taxes paid	(113,250,655)	(93,885,180)
	<b>Net cash (used in)/ generated by operating activities</b>	<b>1,990,508,740</b>	<b>1,994,866,221</b>

#### 44.00 Significant Deviations

Earnings per share (EPS):

Net profit after tax increased same year of previous year. Increase in profit is driven by decent revenue growth during the year ended on 30 June 2022. Management of the Company has taken responsive business strategy as a result sales increased by 21.06% which resulting increase in earnings per share from Tk. 2.37 to TK. 2.92. Paper demand is expected to continue to rebound through the year as people return to schools and offices. However, reduction of corporate tax rate from 22.5% to 20% is also made an positive impact on increase in profitability and EPS as well from the same year of previous year.

#### 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 it's meeting held on 28 October 2022 approved the financial statements of the company for the year ended 30 June 2022 and authorised the same for issue. The Board of Directors also recommended cash dividend @ 10 % for the yer ended June 30, 2022 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 2019-2020 (Assessment year 2020-2021) 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
2020-2021	2021-2022	1,029,584	83(2)	The DCT has completed the assessment on 03 February 2022 against which the Company filled an appeal to the Commissioner of Taxes Appeals (CAT)

#### 51.00 Going Concern Basis of Accounting

The economic impact of the 2022 Russian invasion of Ukraine began in late February 2022, in the days after Russia recognized two breakaway Ukrainian republics and launched an invasion of Ukraine. The subsequent economic sanctions have targeted large parts of the Russian economy, Russian oligarchs, and members of the Russian government. Both the conflict and the sanctions have had a strongly negative impact on the world economic recovery during the COVID-19 recession. Solid demand and supply chain disruptions in the post-COVID-19 environment before Russia's invasion of Ukraine contributed to substantial increases in commodity prices and input costs. Subsequently, increasing inflation pressures prompted a number of central banks to begin to unwind their asset purchasing programmes and increase their policy rates. Nevertheless, developments are set against a backdrop of deteriorating economic and financial conditions in China, with renewed lockdown measures and surging COVID-19 cases, and long-standing vulnerabilities. According to recent World Bank estimates, Economic activity will remain deeply depressed through next year, with minimal growth of 0.3% expected in 2023, as energy price shocks continue to impact the all over the world. The Board of Directors have reviewed the Company's current financial position and performance, including consideration of the anticipated impact of the Russian invasion of Ukraine and COVID-19 and the other principal risks which may impact the Company's performance in the near term. The Board of Directors 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. 2,893,522,862 as on June 30, 2022 which includes Tk.507,848,139 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.



## 52.00 Financial Risk Management

### 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 year during which the change has occurred.



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

Reconciliation of carrying amount	Note	Carrying amount						Fair value						
		Held for trading	Designated at fair value	Fair value - hedging instruments	Held -to-maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
30 June 2022:														
Financial assets not measured at fair value														
Trade receivables and Other receivables	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances, deposits and prepayments	11	-	-	-	-	1,014,646,121	-	-	-	1,014,646,121	-	-	-	-
Cash and cash equivalents	13	-	-	-	-	695,779,620	-	-	-	695,779,620	-	-	-	-
		-	-	-	-	412,937,636	-	-	-	412,937,636	-	-	-	-
Financial liabilities measured at fair value		-	-	-	-	2,123,363,376	-	-	-	2,123,363,376	-	-	-	-
Financial liabilities not measured at fair value														
Long term borrowings-current portion	21	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term borrowings	22	-	-	-	-	-	-	-	-	1,997,367,081	-	-	-	-
Trade and other payables	23	-	-	-	-	-	-	-	-	3,993,660,017	-	-	-	-
		-	-	-	-	-	-	-	-	1,198,790,267	-	-	-	-
		-	-	-	-	-	-	-	-	7,189,817,364	-	-	-	-
30 June 2021:														
Financial assets measured at fair value														
Trade receivables and Other receivables	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances, deposits and prepayments	11	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	14	-	-	-	-	766,820,718	-	-	-	766,820,718	-	-	-	-
		-	-	-	-	750,153,312	-	-	-	750,153,312	-	-	-	-
		-	-	-	-	416,398,153	-	-	-	416,398,153	-	-	-	-
Financial liabilities measured at fair value		-	-	-	-	1,933,372,183	-	-	-	1,933,372,183	-	-	-	-
Financial liabilities not measured at fair value														
Long term borrowings-current portion	23	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term borrowings	24	-	-	-	-	-	-	-	-	2,156,870,384	-	-	-	-
Trade and other payables	25	-	-	-	-	-	-	-	-	2,634,775,834	-	-	-	-
		-	-	-	-	-	-	-	-	1,144,864,139	-	-	-	-
		-	-	-	-	-	-	-	-	5,936,510,357	-	-	-	-

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-22	30-Jun-21
<b>a) Exposure to credit risk:</b>		
<b>Trade receivables</b>		
Local customer	516,632,188	514,783,337
Foreign customer	205,828,830	139,841,397
<b>Advance, deposit and prepayments</b>	695,779,620	750,153,312
<b>Due/ (payable) from/to inter companies</b>	(835,884,312)	(1,069,789,779)
<b>Cash and bank balances</b>	412,937,636	416,398,153

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

Bangladesh	516,632,188	514,783,337
Asia	197,195,913	101,620,002
Europe	211,500	33,406,689
Australia	186,373	(1,223,164)
Africa	8,178,890	5,981,715
North America	56,154	56,154

**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	479,202,819	323,270,427
90-180 days past due	121,482,104	229,706,061
above 180 days past due	121,776,094	101,648,247
	<b>722,461,018</b>	<b>654,624,734</b>

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

Trade receivables	722,461,018	654,624,734
Advance, deposit and prepayments	695,779,620	750,153,312
Other receivables	292,185,103	112,195,985

**Cash and Bank balances:**

Cash in hand	9,615,316	24,271,502
Bkash Account	63,485	16,060

**Cash at bank:**

Bank name & branch	Account No.	403,258,835	392,110,591
Agrani Bank Ltd., Principal Branch, Dhaka	CD: 11217-8	486,655	20,505
Al-Arafa Islami Bank Ltd., Motijheel Branch	CD-3059	11,303	11,993
Bank Asia Ltd., Bashundhara Branch	CD: 404, 568, 569	135,209,647	132,975,859
Bank Asia Ltd., Bashundhara Branch	SND: 0135	3,493,529	3,585,718
Bank Asia Ltd., Principal Branch	CD: 00333005904	305,103	166,569
Basic Bank Ltd., Bashundhara Br.	STD: 057	82,252	237,097
Dutch Bangla Bank Ltd., Bashundhara Br.	SND: 1471201895	44,557,173	77,349,851
Dutch Bangla Bank Ltd., Local Office	CD: 10111012348	1,892,091	15,638,366
First Security Islami Bank Ltd., Banani Branch	CD: 2215	383	942,918
Islami Bank Bangladesh Ltd., H/O Complex Br.	CD: 87816	10,095,626	11,875,051
Janata Bank Ltd., Helatola Branch, Khulna	CD:001039442	-	3,332
Janata Bank Ltd., Janata Bhaban Corp. Br.	STD: 004001006	95,163	97,370
Janata Bank Ltd., JBCB,Dhaka	CD: 001022542	28,622,550	22,154,617
Janata Bank Ltd., JBCB,Dhaka	FC: 402000464	1,436,689	1,436,689
Mercantile Bank Ltd., Main Branch, Dhaka	CD: 81042	4,957,836	3,951,691
Mutual Trust Bank Ltd., Bashundhara City Br.	CD: 15608,1015, 15617	15,692,823	13,472,617
Mutual Trust Bank Ltd., Sonargoan Branch	CD:10258,10427,10294,10267	43,506	76,466
Mutual Trust Bank Ltd., Sonargoan Branch	CD: 60210010427	11,923	-



National Bank Ltd., Dilkusha Branch	CD: 233137485	8,601,431	8,560,483
National Bank Ltd.-	SND accounts	187,383	186,332
NCC Bank Ltd., Motijheel Branch	CD: 22785	9,244	9,388
The Premier Bank Ltd., Banani Branch	CD: 1604-0	-	3,565
The Premier Bank Ltd.-Dilkusha Branch	CD: 019010	2,355	3,045
Prime Bank Ltd. Gulshan Br.	CD: 2118116023883	10,000	10,000
Rupali Bank Ltd.-Local Office, Dhaka.	CD: 0018020010093	15,269	126,139
Shahjalal Islami Bank Ltd., Gulshan Branch	CD: 4061	4,886,939	3,152,742
Sonali Bank Ltd.	SND: 000025	5,129,262	3,773,755
Social Islami Bank Ltd., Bashundhara Branch	CD: 1330000079	21,954,773	15,197,799
Social Islami Bank Ltd., Panthapath Branch	CD: 12885, 16735,16741	30,435,593	38,274,588
Social Islami Bank Ltd., Sonargoan Branch	CD: 64,6459, 6718,6661	354,588	2,703,697
Southeast Bank Ltd., Principal Branch, Dhaka	CD: 7935	1,867,887	46,288
Southeast Bank Ltd., Principal Branch, Dhaka	FC: 0462	1,241,997	1,534,628
Southeast Bank Ltd., Principal Branch, Dhaka	DAD Account-588	7,358,370	9,648,700
Southeast Bank Ltd., Principal Branch, Dhaka	IPO-BDT-197	9,178	10,706
Southeast Bank Ltd., Principal Branch, Dhaka	IPO-GBP-552	14,162	13,504
Southeast Bank Ltd., Principal Branch, Dhaka	IPO-Euro-774	-	-
Southeast Bank Ltd., Principal Branch, Dhaka	IPO-USD-066	265,096	236,367
Standard Bank Ltd., Principal Branch	CD: 00233009262	83,829	15,625
Standard Bank Ltd., Principal Branch	STD: 00236001976	43,539	44,119
Trust Bank Ltd., Senakallyan Bhaban Branch	CD: 0003-0210011205	269,103	270,690
Union Bank Ltd., Gulshan Branch	CD: 1623	82,871	83,676
United Commercial Bank Ltd., Bashundhara Br.	STD: 119/198	67,085,599	19,184,127
United Commercial Bank Ltd., Gulshan Br.	CD: 1360	6,356,118	5,023,921

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 year 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	Within 12 months	1 to 5 years	More than 5 years
Finance Lease	2021-22	16,153,364	16,153,364	-	-
Long term bank loan		14,520,511,661	1,981,213,717	12,539,297,945	-
Short term bank loan		5,991,027,098	5,991,027,098	-	-
Trade and other payables		1,198,790,267	1,198,790,267	-	-
Provision for expenses		1,161,873	1,161,873	-	-
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	-	-

### 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-22 (USD)	30-Jun-21 (USD)
<b>Assets:</b>			
Trade receivables		2,383,796	1,647,131
Cash at bank		16,639	16,922
<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		\$86.35	\$84.90

#### (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 2022 would have increased/(decreased) equity and profit or loss. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

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

## 53.00 Capital Management

The Company's capital management objectives are:

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

The Board of Directors has set a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity attributable to the equity holders. The Board of Directors monitors the level of capital as well as the level of dividend to the ordinary shareholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend, return capital to 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, 2022.



# BASHUNDHARA PAPER MILLS LIMITED

## Schedule of Property, Plant & Equipment

As at 30 June 2022

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	11=6-10
<b>a) Based on Cost</b>	<b>21,013,366,991</b>	<b>970,290,241</b>	<b>1,185,386,891</b>	<b>(585,942)</b>	<b>23,168,458,181</b>	<b>6,345,803,676</b>	<b>851,582,995</b>	<b>(266,840)</b>	<b>7,197,119,831</b>	<b>15,971,338,350</b>
Land and land development	574,117,543	237,343,260	-	-	811,460,803	-	-	-	-	811,460,803
Plant and machinery	14,501,914,370	647,392,210	654,169,238	-	15,803,475,818	5,189,238,412	665,863,530	-	5,855,101,943	9,948,373,875
Office equipment	115,489,777	15,512,782	-	-	131,002,559	69,081,377	11,412,318	-	80,493,695	50,508,864
Furniture and fixture	34,845,656	773,180	-	-	35,618,836	21,630,810	2,241,558	-	23,872,367	11,746,468
Factory apparatus and loose tools	215,528,160	282,902	-	-	215,811,062	94,398,247	10,727,740	-	105,125,988	110,685,075
Motor Vehicles	607,044,484	25,612,500	-	(455,942)	632,261,042	387,641,064	43,680,483	(260,340)	431,061,206	201,199,836
Factory building and other constructions	4,776,329,303	373,476,556	531,217,652	-	5,344,894,612	527,753,891	108,532,839	-	636,286,731	4,708,607,882
Sundry assets	188,037,898	6,025,751	-	(130,000)	193,933,449	56,059,875	9,124,527	(6,500)	65,177,902	128,755,547
<b>b) Based on Revaluation</b>	<b>2,848,337,977</b>	<b>4,542,458,919</b>	<b>-</b>	<b>-</b>	<b>7,390,796,896</b>	<b>319,748,880</b>	<b>16,795,358</b>	<b>-</b>	<b>336,544,238</b>	<b>7,054,252,659</b>
Land and land development	2,107,635,598	4,542,458,919	-	-	6,650,094,517	-	-	-	-	6,650,094,517
Plant and machinery	115,317,906	-	-	-	115,317,906	103,188,770	1,825,360	-	105,014,130	10,303,776
Office equipment	1,733,807	-	-	-	1,733,807	1,469,255	55,720	-	1,524,976	208,831
Furniture and fixture	1,036,791	-	-	-	1,036,791	757,871	55,971	-	813,842	222,949
Factory apparatus and loose tools	4160,493	-	-	-	4160,493	2,281,227	179,655	-	2,460,882	1,699,611
Motor Vehicles	7767,090	-	-	-	7767,090	7767,090	-	-	7767,090	-
Building and other constructions	604,376,645	-	-	-	604,376,645	198,167,876	14,634,720	-	212,802,596	391,574,049
Sundry assets	6,309,647	-	-	-	6,309,647	6,116,791	43,931	-	6,160,722	148,925
<b>Total (a+b)</b>	<b>23,861,704,969</b>	<b>5,512,749,160</b>	<b>1,185,386,891</b>	<b>(585,942)</b>	<b>30,559,255,077</b>	<b>6,665,552,556</b>	<b>868,378,353</b>	<b>(266,840)</b>	<b>533,664,069</b>	<b>23,025,591,008</b>
<b>Total (2020-2021)</b>	<b>21,116,967,389</b>	<b>570,729,723</b>	<b>2,181,170,462</b>	<b>(7162,607)</b>	<b>23,861,704,968</b>	<b>5,709,191,325</b>	<b>960,209,590</b>	<b>(3,448,358)</b>	<b>6,665,952,557</b>	<b>17,195,752,412</b>

Allocation of depreciation:

Administrative overhead @ 5%

Factory overhead @ 95%

**Total**

43,418,918
824,959,435
<b>868,378,353</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, Ahmed Zaker & Co., Chartered Accountants in 2022.

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

Date of Capitalization: 30 June 2010, 05 July 2015 and 29 June 2022 respectively.





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	10,479,038,063	535,333,083	593,215,447	-	11,607,586,593	1,898,881,750	412,492,298	-	2,311,374,048	9,296,212,545
	Land and land development	313,746,925	237,343,260	-	-	551,090,185	-	-	-	-	551,090,185
	Plant and machinery	6,040,032,940	238,191,372	62,565,528	-	6,340,789,840	1,355,155,797	293,706,927	-	1,648,862,724	4,691,927,116
	Office equipment	63,421,580	4,666,293	-	-	68,087,873	34,476,168	6,647,897	-	41,124,065	26,963,808
	Furniture and fixture	17,304,530	589,600	-	-	17,894,130	8,872,853	1,234,102	-	10,106,955	7,787,175
	Factory apparatus and loose tools	189,827,696	282,902	-	-	190,110,598	77,698,641	9,246,603	-	86,945,244	103,165,354
	Motor Vehicles	273,022,337	14,152,000	-	-	287,174,337	164,283,841	14,161,092	-	178,444,933	108,729,405
	Factory building and other constructions	3,432,974,105	373,476,556	530,649,918	-	4,000,971,680	239,115,933	80,025,677	-	3,191,416,101	3,681,830,070
	Sundry assets	148,707,949	2,760,000	-	-	151,467,949	19,278,517	7,470,000	-	26,748,517	124,719,432
b)	Based on Revaluation	856,038,012	1,443,422,039	-	-	2,299,460,051	89,582,848	2,180,210	-	91,763,058	2,207,696,993
	Land and land development	739,453,096	1,443,422,039	-	-	2,182,875,135	-	-	-	-	2,182,875,135
	Plant and machinery	83,051,356	-	-	-	83,051,356	72,741,629	1,570,829	-	74,312,458	8,738,897
	Office equipment	423,389	-	-	-	423,389	346,287	19,826	-	366,113	57,276
	Furniture and fixture	354,654	-	-	-	354,654	255,671	19,017	-	274,688	79,966
	Factory apparatus and loose tools	2,523,455	-	-	-	2,523,455	1,352,822	110,902	-	1,463,725	1,059,730
	Motor Vehicles	6,493,899	-	-	-	6,493,899	6,493,899	-	-	6,493,899	-
	Building and other constructions	21,226,067	-	-	-	21,226,067	6,019,604	459,636	-	6,479,240	14,746,827
	Sundry assets	2,512,096	-	-	-	2,512,096	2,372,935	-	-	2,372,935	139,161
Total (a+b)		11,335,076,075	1,978,755,122	593,215,447	-	13,907,046,643	1,988,464,598	414,672,508	-	2,403,137,105	11,503,909,538
Total (2020-2021)		10,145,184,501	521,849,655	668,041,918	-	11,335,076,074	1,579,159,866	409,304,731	-	1,988,464,597	9,346,611,477

Allocation of depreciation:

Administrative overhead @ 5%

Factory overhead @ 95%

**Total**

207,733,625
393,938,882
<b>414,672,508</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
a) Based on Cost	3,187,622,781	494,081	567,734	-	3,188,684,596	1,376,780,293	99,916,837	-	1,476,697,130	1,711,987,467
Land and land development	86,439,658	-	-	-	86,439,658	-	-	-	-	86,439,658
Plant and machinery	2,634,769,016	436,581	-	-	2,635,205,597	1,257,625,418	88,794,321	-	1,346,419,739	1,288,785,858
Office equipment	10,141,776	57,500	-	-	10,199,276	8,351,325	636,969	-	8,988,294	1210,982
Furniture and fixture	2,167,061	-	-	-	2,167,061	1,885,930	150,806	-	2,036,736	130,325
Factory apparatus and loose tools	13,407,000	-	-	-	13,407,000	9,056,441	653,133	-	9,709,574	3,697,426
Motor Vehicles	8,674,692	-	-	-	8,674,692	7243,336	560,096	-	7,803,432	871,260
Factory building and other constructions	411,011,019	-	567,734	-	411,578,753	72,393,922	9029,004	-	81,422,926	330,155,827
Sundry assets	21,012,559	-	-	-	21,012,559	20,223,920	92,508	-	20,316,428	696,131
b) Based on Revaluation	1,173,870,583	1,642,339,420	-	-	2,816,210,003	141,961,407	10,141,295	-	152,102,702	2,664,107,300
Land and land development	798,420,922	1,642,339,420	-	-	2,440,760,342	-	-	-	-	2,440,760,342
Plant and machinery	5,301,867	-	-	-	5,301,867	3,509,095	244,905	-	3,754,000	1,547,867
Office equipment	645,079	-	-	-	645,079	645,079	-	-	645,079	-
Furniture and fixture	47843	-	-	-	47843	43,857	3,262	-	47,119	724
Factory apparatus and loose tools	290,522	-	-	-	290,522	172,320	12,817	-	185,137	105,385
Motor Vehicles	-	-	-	-	-	-	-	-	-	-
Building and other constructions	366,026,540	-	-	-	366,026,540	134,453,248	9,880,311	-	144,333,559	221,692,981
Sundry assets	3,137,809	-	-	-	3,137,809	3,137,809	-	-	3,137,809	-
Total (a+b)	4,361,493,364	1,642,833,501	567,734	-	6,004,894,599	1,518,741,700	110,058,132	-	1,628,799,832	4,376,094,767
Total (2020-2021)	4,161,592,167	82,853	212,086,696	(12,268,353)	4,361,493,363	1,397,760,305	127,598,119	(6,616,724)	1,518,741,700	2,842,751,663

Administrative overhead @ 5%

Factory overhead @ 95%

**Total**

5,502,907
104,555,225
<b>110,058,132</b>



BPWL (UNIT-3)

Annexure-A.3

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	7,346,706,148	434,463,077	591,603,710	(585,942)	8,372,186,992	3,070,141,634	339,173,860	(266,840)	3,409,048,654	4,963,138,338	
	Land and land development	173,930,960	-	-	-	173,930,960	-	-	-	-	173,930,960	
	Plant and machinery	5,827,112,414	408,764,257	591,603,710	-	6,827,480,381	2,576,457,198	283,362,282	-	2,859,819,480	3,967,660,901	
	Office equipment	41,926,420	10,788,989	-	-	52,715,409	26,253,884	4,127,452	-	30,381,335	22,334,074	
	Furniture and fixture	15,374,065	183,580	-	-	15,557,645	10,872,027	856,650	-	11,728,677	3,828,969	
	Factory apparatus and loose tools	12,293,465	-	-	-	12,293,465	7,643,165	828,004	-	8,471,170	3,822,295	
	Motor Vehicles	325,407,456	11,460,500	-	(455,942)	336,412,014	216,113,887	28,959,295	(260,340)	244,812,842	91,599,172	
	Factory building and other constructions	932,344,179	-	-	-	932,344,179	216,244,036	19,478,158	-	235,722,194	696,621,985	
	Sundry assets	18,317,189	3,265,751	-	(130,000)	21,452,940	16,557,438	1,562,019	(6,500)	18,112,957	3,339,983	
b)	Based on Revaluation	818,429,383	1,456,697,460	-	-	2,275,126,843	88,204,625	4,473,853	-	92,678,478	2,182,448,365	
	Land and land development	569,761,580	1,456,697,460	-	-	2,026,459,040	-	-	-	-	2,026,459,040	
	Plant and machinery	26,964,683	-	-	-	26,964,683	26,938,046	9,626	-	26,947,672	17,012	
	Office equipment	665,339	-	-	-	665,339	477,889	35,895	-	513,784	151,556	
	Furniture and fixture	634,294	-	-	-	634,294	458,343	33,693	-	492,036	142,259	
	Factory apparatus and loose tools	1,346,516	-	-	-	1,346,516	756,085	55,936	-	812,021	534,495	
	Motor Vehicles	1,273,191	-	-	-	1,273,191	1,273,191	-	-	1,273,191	-	
	Building and other constructions	217,124,038	-	-	-	217,124,038	57,695,025	4,294,773	-	61,989,798	155,134,240	
	Sundry assets	659,742	-	-	-	659,742	606,047	43,931	-	649,978	9,764	
Total (a+b)		8,165,135,531	1,891,160,537	591,603,710	(585,942)	10,647,313,836	3,158,346,258	343,647,713	(266,840)	3,501,727,132	7,145,586,704	
Total (2020-2021)		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	

Administrative overhead @ 5%	17,182,386
Factory overhead @ 95%	326,465,328
<b>Total</b>	<b>343,647,713</b>

## BASHUNDHARA PAPER MILLS LIMITED

### Schedule of Intangible Assets

As at 30 June 2022

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	11,508,750	-	200,655,820	38,625,822	7,129,954	-	45,755,776	154,900,044
2 CRM Software	480,635	-	-	480,635	211,026	35,166	-	246,192	234,443
3 VAT Software	-	400,000	-	400,000	-	14,444	-	14,444	385,556
4 HRM Software	-	735,423	-	735,423	-	-	-	-	735,423
<b>Total</b>	<b>189,627,705</b>	<b>12,644,173</b>	<b>-</b>	<b>202,271,878</b>	<b>38,836,848</b>	<b>7,179,564</b>	<b>-</b>	<b>46,016,412</b>	<b>156,255,465</b>



# BASHUNDHARA PAPER MILLS LIMITED

## Schedule of Right-of-use assets

As at 30 June 2022

Annexure-C

PARTICULARS	COST			DEPRECIATION				Written down value
	Opening balance	Reclassification	Addition	Closing balance	Opening balance	Reclassification	Depreciation	Closing balance
1 Motor Vehicles	111,791,600	-	-	111,791,600	84,624,684	-	11,873,326	96,498,010
<b>Total</b>	<b>111,791,600</b>	<b>-</b>	<b>-</b>	<b>111,791,600</b>	<b>84,624,684</b>	<b>-</b>	<b>11,873,326</b>	<b>15,293,590</b>

<b>Administrative overhead @ 5%</b>	593,666
Factory overhead @95%	11,279,660
<b>Total</b>	<b>11,873,326</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
BG	Bashundhara Group
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

Glossary	
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



# Bashundhara Wet wipes Super Big Pack

Lemon Fragrance



Soft & Smooth touch  
on Baby's skin

Super  
**Big**  
Pack

240  
pcs

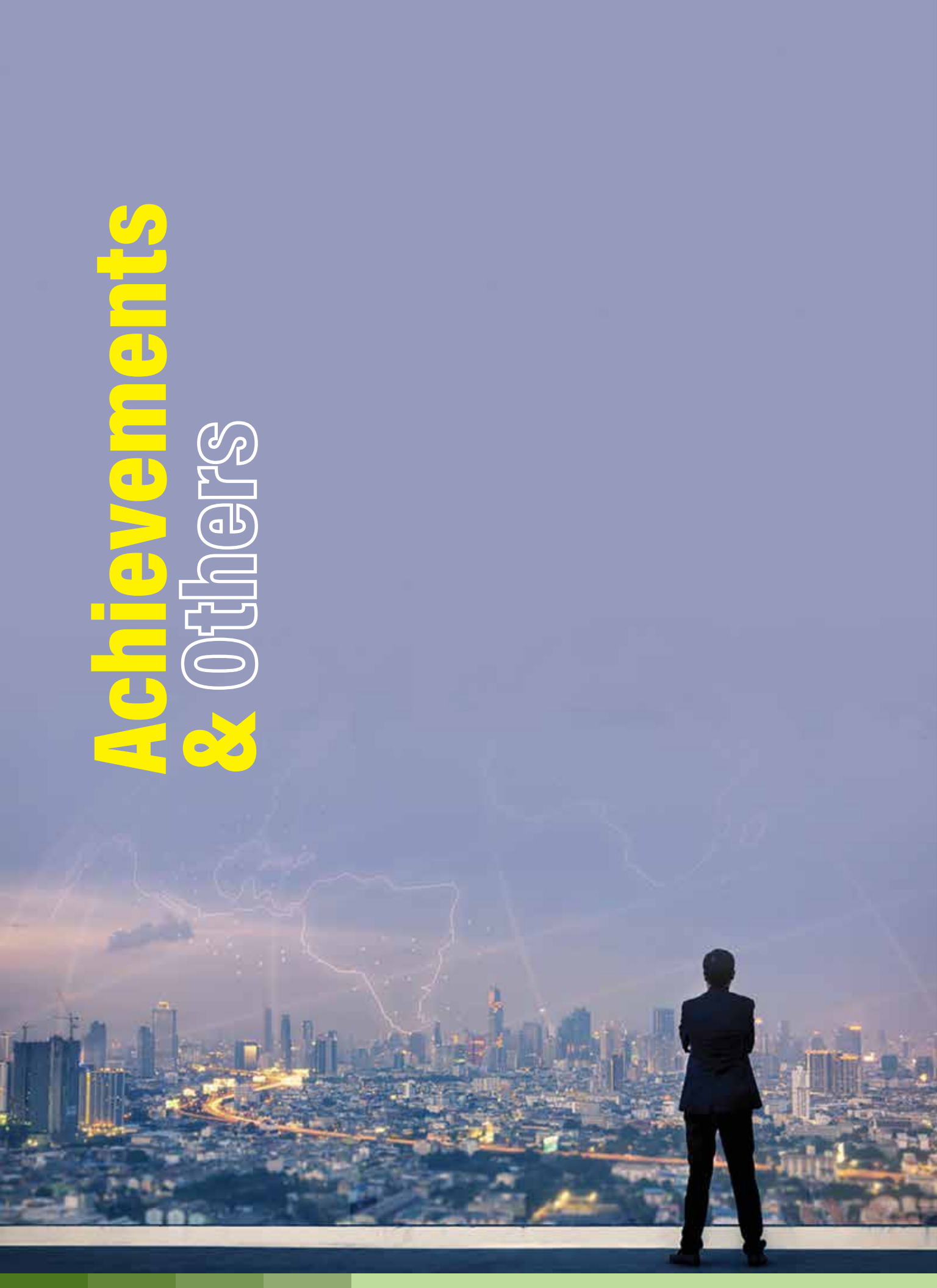


AVAILABLE SIZES:

60 PCS | 120 PCS | 160 PCS



# Achievements & Others





## 169



## Awards and Certification





# Corporate Social Responsibility



Fully funded by Bashundhara Paper Mills Limited, a project under Bashundhara Special Children Foundation as the corporate social responsibility . Where more than 100 special challenged students have been arranged proper education.



# Brand Communications







# Introducing **Bashundhara** FACIAL TISSUE



L A Y E R S

SOFT  
STRONG  
ABSORBENT



**16339**

# 28th AGM in Action





# Shareholders Attendance Form



**SHAREHOLDERS  
RIGHTS**



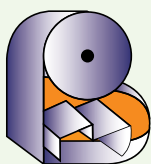
Bashundhara

# DiaCare

Adult Diaper

বার্ধক্যের  
সময়  
হোক স্বাস্থ্যের





# Bashundhara Paper Mills Ltd.

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

## PROXY FROM

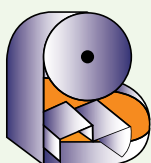
I/We..... of .....  
being Member of Bashundhara Paper Mills Limited, hereby appoint ..... of.....

.....  
as my/our proxy to attend and vote for me/us on my/our behalf at the 29th Annual General Meeting of the Company  
to be held on Tuesday, 27 December, 2022 at 11:00 AM (Local Time) and/or at any adjournment thereof. As witness  
I/We put my/our hand this ..... day of .....2022.

Signature of the Shareholder : .....  
Signature of the Shareholder : .....  
Register Folio no./BO ID no. : .....  
Numbers of shares held : .....

Affix  
the revenue stamp  
of BDT 20/-

Note: A Member entitled to attend and vote at the Annual General Meeting, may appoint a proxy to attend and vote  
on his/her behalf. The Proxy Form duly completed must be deposited at the Registered Office of the company or  
email to [cs.bpml@bgc-com.bd](mailto:cs.bpml@bgc-com.bd) not later than 72 hours before the time fixed for the meeting.



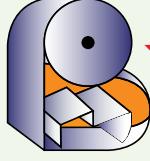
# Bashundhara Paper Mills Ltd.

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

## ATTENDANCE SLIP

I, hereby record my attendance at the 29th Annual General Meeting being held on Tuesday, 27 December, 2022 at  
11:00 AM (Local Time) through Digital Platform.

Name of Shareholder : ..... Signature of Shareholder : .....  
Folio no./BO ID no. : ..... Numbers of shares held : .....  
Name of Proxy : ..... Signature of proxy : .....



# বসুন্ধরা পেপার মিলস্ লি:

রেজিস্টার্ড 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 ২৭ ডিসেম্বর, ২০২২ইং তারিখ মঙ্গলবার, সকাল ১১:০০ ঘটিকায় অনুষ্ঠিতব্য অত্র কোম্পানীর ২৯তম 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 -----২০২২ইং তারিখে আমি/আমরা সজ্ঞানে আমার/আমাদের স্বাক্ষর প্রদান করলাম।

সদস্যের স্বাক্ষর : -----

সদস্যের স্বাক্ষর : -----

বিও আইডি/ফলিও নং : -----

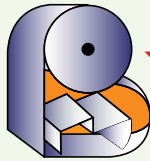
ধারনকৃত শেয়ার সংখ্যা : -----

রাজস্ব টিকেট

২০/- টাকা

সংযুক্ত করণ

**বিঃদ্রঃ** ২৯তম 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 ঘণ্টা পূর্বে কোম্পানীর শেয়ার বিভাগে অথবা ই-মেইলের মাধ্যমে [cs.bpml@bgc-com.bd](mailto:cs.bpml@bgc-com.bd) ঠিকানায় পৌঁছাতে 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 ২৯তম বার্ষিক সাধারণ সভা যা ডিজিটাল প্ল্যাটফর্মের মাধ্যমে অদ্য মঙ্গলবার, ২৭ ডিসেম্বর ২০২২ইং তারিখে সকাল ১১:০০ ঘটিকায় অনুষ্ঠিতব্য সভায় আমার/আমাদের উপস্থিতি লিপিবদ্ধ করলাম।

সদস্যের নাম : ----- সদস্যের স্বাক্ষর : -----

বিও আইডি/ফলিও নং : ----- ধারনকৃত শেয়ার সংখ্যা : -----

প্রতিনিধির নাম : ----- প্রতিনিধির স্বাক্ষর : -----

সময়গুলো হোক  
টেনশন ফ্রি...

# মোনালিসা

স্যানিটারি ন্যাপকিন



✓ জীবাণুমুক্ত

✓ স্বাস্থ্যসম্মত

✓ নিরাপদ

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# Proceedings of 28th AGM





# Proceedings of 28th Annual General Meeting

The 28th Annual General meeting of Bashundhara Paper Mills Limited was held on Tuesday, 28 December, 2021 at 11.00 a.m (local time) by using Digital Platform through the link <http://bpml.digitalagmbd.net> conducted from the meeting room of the company at Bashundhara Industrial Headquarter-2, Plot # 56/A, Umme Kulsum Road, Block # C, Bashundhara R/A, Dhaka-1229.

1. The following Directors of the Board and 175 nos. valued Members of the Bashundhara Paper Mills Ltd. had connected through digital platform in the 28th Annual General Meeting as recorded. –

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

2. At the request of the Members of the Board of Directors Mr. A. R. Rashidi presided over the Annual General Meeting.
3. The following persons were also connected in this meeting as executive attendance-
  - i. Md. Mustafizur Rahman FCA, DMD;
  - ii. Mirja Mujahidul Islam, CFO;
  - iii. Md. Eleas Hossain, Head of Internal Audit & Compliance;
  - iv. Md. Kamrul Hassan, HOD (A/F) and
  - v. M. Mazedul Islam, Company Secretary.
4. The 28th Annual General Meeting anchored and recorded the proceedings of the Annual General Meeting of the Company by Mr. M. Mazedul Islam, Company Secretary.
5. At the outset of the meeting, the verses from the Holy Qur'an were recited by Hafiz, Kari, Mowlana Md. Alauddin interpreted its meaning in Bangla.
6. As the required quorum was present 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.
7. The Company Secretary read out the notice of the 28th AGM before the members connected through the digital platform and requested to enjoy their voting right on the agenda. The poll option has considered to count the vote for agendas.
8. The Chairman of the meeting welcomed the valued Shareholders in the 28th AGM of the Company and requested to enjoy their voting right by using poll option for 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 into the 28th year and it has been fourth year, 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 and allied products industries of Bangladesh during the last 28 years had grown up progressively. He also informed that despite the 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 dividends 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 28th AGM as was circulated earlier.

**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 2021**

The Chairman informed in the meeting that, the notices of this 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 as on Record Date at their respective recorded email addresses. To connect through the digital link for this AGM were open 48 hours from the holding of the meeting as the regulatory directives.

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 2021. A considerable number of members were connected in the digital platform actively participated and expressed their observations, comments and suggestions on the Audited Financial Statements and the Directors' Report for the Financial Year 2020-2021.

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, 2021 along 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 2021**

The members were informed that for the Financial Year 2020-2021 the Board of Directors of the company had recommended Cash Dividend @ 12% i.e BDT 1.20/- (One Taka and Twenty paisa) per ordinary of share of BDT 10/- (Taka Ten) each for the all members whose names appeared in the Members Register on the Record Date 30/11//2021 accordingly.

Then, the members recommend the Cash Dividend @12% (twelve percent) out of the profit

of the Company for the year ended 2020-2021 and approval by the Shareholder's in the 28th Annual General Meeting and unanimously passed the following resolution-

**RESOLVED**

"That the recommendation of the Cash Dividend @12% i.e. BDT 1.20/- (One Taka and Twenty paisa) on par value of shares of BDT 10/- (Ten) each for the Financial Year 2020-2021 be and is hereby considered and approved for the members whose names appeared in the Members Register on the Record Date 30/11//2021 accordingly.

**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 Article no. 100 of the Articles of Association of the Company the following 02 (two) of the Directors of this company were retired by rotation in 28th Annual General Meeting and all of them were 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. Ahmed Akbar Sobhan; and ii) Mr. Md. Imrul Hassan the Board of Directors of this company has also recommended the appointment of the retiring Directors and placed them before shareholders in this 28th General Meeting for their consent.

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

**RESOLVED**

"That Mr. Ahmed Akbar Sobhan and ii) Mr. Md. Imrul Hassan has retired by rotation as per Article no.-100 of the Articles of Association and both Directors 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 2021-2022 and to fix their Remunerations.**

The members present were informed of the existing statutory auditors- M/S. Aziz Halim Khair Chowdhury, Chartered Accountants who were appointed in the 27th Annual General Meeting have completed their responsibilities during the period under review. The Auditors have requested their re-appointment being they are eligible. In view of this, the Board of Directors of BPML has

recommended 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 re-appointment of the Statutory Auditors of the company for the Financial Year 2021-2022 at a fee of BDT 4,00,000/- (Taka Four lac) only excluding of VAT for its approval by the shareholders of this company in this 28th 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 re-appointed as the Statutory Auditors of the Company for the Financial Year 2021-2022 with the audit fees of BDT 4,00,000/- (Taka Four lac) only excluding of VAT. "

**Agenda-5: To appoint Compliance Auditors for the Financial Year 2021-2022 and to fix their Remunerations**

The members present were informed by the existing Compliance auditors - M/S. M. Mohasin & Co. Chartered Secretaries, who were appointed in the 27th Annual General Meeting have completed their responsibility during the period under review. The Board of Directors of Company has recommended

for the appointment of M/S. Haruner Rashid and Associates, Chartered Secretaries for the Financial Year 2021-2022.

In view of this the Board of Directors has also recommended to appoint M/S. Haruner Rashid and Associates, Chartered Secretaries, for the purpose of Compliance Certification on corporate governance of this company under the BSEC Code for the Financial Year 2021-2022 with the fee of BDT 100,000/- (One Lac) excluding the VAT and placing the matter before the shareholders of this company in the 28th Annual General Meeting for its approval.

**RESELVOD**

"That the M/S. Haruner Rashid and Associates Chartered Secretaries be and is hereby appointed as the Compliance Auditors for Corporate Governance Certification of the Company for the Financial Year 2021-2022 with the fee of BDT 100,000/- (One Lac) excluding the VAT only."

The Chairman of the meeting requested the members to raise any other matter that they may think fit, but none raised any issue.

There being no other business to transact, the meeting ended with votes of thanks to and from the Chair.

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

## NOTES

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## Bashundhara Paper Mills Ltd.

**Registered Office:**

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

**Email:** [info.paper@bg.com.bd](mailto:info.paper@bg.com.bd)

**Head Office:**

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

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