



1Q

REPORT FOR THE 1ST QUARTER ENDED ON SEPTEMBER 30, 2022
BASHUNDHARA PAPER MILLS LTD.

2022-2023



Bashundhara Paper Mills Ltd.

Bashundhara Industrial Headquarters-2, Plot# 56/A, Block# C, Umme Kulsum Road,
Bashundhara R/A, Dhaka, Bangladesh. www.bashundharagroup.com, www.bashundharapapermills.com

Contents

●	
●	
●	
●	
●	01 Statement of Financial Position 1
●	02 Statement of Profit or Loss and Other Comprehensive Income 2
●	03 Statement of Changes in Equity 3
●	04 Statement Cash Flows 4
●	05 Notes to the Financial Statements 5- 11
●	
●	
●	



BASHUNDHARA PAPER MILLS LIMITED

Statement of financial position

As at 30 September 2022

	Notes	30-Sep-22	30-Jun-22
		Amount in Taka	
ASSETS			
Non-current assets		24,414,100,276	24,094,298,838
Property, plant and equipment, net		23,034,927,008	23,025,591,008
Intangible Assets, net		154,303,355	156,255,465
Right-of-use assets		12,963,191	15,293,590
Capital work-in-progress		946,906,723	632,158,774
Investment		265,000,000	265,000,000
Current assets		12,907,982,703	10,759,811,898
Inventories		9,259,418,228	8,269,900,957
Trade and other receivables		1,729,048,548	1,014,646,121
Advances, deposits and prepayments		1,059,694,901	695,779,620
Advance income tax		381,619,165	366,547,565
Cash and bank equivalents		478,201,861	412,937,636
Total assets		37,322,082,980	34,854,110,736
EQUITY AND LIABILITIES			
Capital and reserves		13,279,607,301	13,070,441,273
Share capital	2	1,737,914,410	1,737,914,410
Share premium	3	1,739,583,292	1,739,583,292
Revaluation reserve	4	6,696,497,001	6,699,420,709
Retained earnings	5	3,105,612,598	2,893,522,862
Liabilities			
Non-current Liability		15,364,088,312	14,469,418,738
Long term borrowings	6	14,212,877,914	13,375,182,257
Deferred tax liability	8	1,151,210,398	1,094,236,481
Current liabilities		8,678,387,367	7,314,250,725
Long term borrowings-current portion		1,998,892,395	1,997,367,081
Short term borrowings		5,335,344,170	3,993,660,017
Trade and other payables		987,535,750	1,198,790,266
Provision for expenses		214,613,922	1,161,873
Income tax provision		142,001,130	123,271,488
Total liabilities		24,042,475,679	21,783,669,463
Total equity and liabilities		37,322,082,980	34,854,110,736
Net Asset Value Per Share	12	75.52	74.31

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


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

BASHUNDHARA PAPER MILLS LIMITED

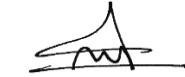
Statement of profit or loss and other comprehensive income for the period ended 30 September 2022

	Notes	01-Jul-2022 to 30-Sep-2022	01-Jul-2021 to 30-Sep-2021
		Amount in Taka	
Revenue, net		3,121,606,958	1,996,975,296
Cost of sales		(2,407,857,053)	(1,563,129,129)
Gross profit		713,749,905	433,846,167
Other income		55,087,150	39,458,111
Administrative expenses		(114,862,009)	(90,816,765)
Selling & distribution expenses		(60,698,606)	(52,721,396)
Finance costs		(293,413,718)	(220,940,745)
Profit before distribution of WPP & WF		299,862,723	108,825,372
Workers' profit participation & welfare fund		(14,993,136)	(5,441,269)
Profit before tax		284,869,587	103,384,103
Income tax expenses	9	(75,703,559)	(35,243,275)
Current tax (expense)/income		(18,729,642)	(11,981,852)
Deferred tax (expense)/income		(56,973,917)	(23,261,423)
Profit after tax		209,166,028	68,140,828
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on revaluation of land		-	-
Less: Related tax		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Total Comprehensive Income for the period		209,166,028	68,140,828
Earnings per share			
Basic earnings per share (per value of Tk. 10)	10	1.20	0.39

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



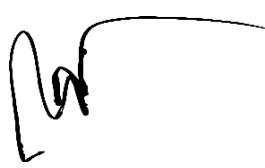
Chief Financial Officer



Company Secretary



Managing Director



Director



Chairman

BASHUNDHARA PAPER MILLS LIMITED

Statement of changes in equity

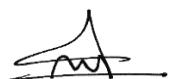
for the period ended 30 September 2022

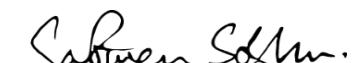
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	Amount in Taka				
Balance as on 01 July 2021	1,737,914,410	1,739,583,292	2,053,172,481	2,581,504,791	8,112,174,974
Transfer to retained earnings	-	-	(4,938,119)	4,938,119	-
Total Comprehensive Income for the period	-	-	-	68,140,828	68,140,828
Balance as at 30 September 2021	1,737,914,410	1,739,583,292	2,048,234,362	2,654,583,739	8,180,315,803

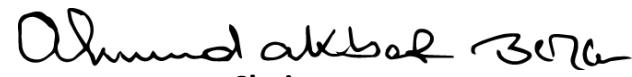
Balance as at 01 July 2022	1,737,914,410	1,739,583,292	6,699,420,709	2,893,522,862	13,070,441,273
Transfer to retained earnings	-	-	(2,923,708)	2,923,708	-
Payment of cash dividend	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	209,166,028	209,166,028
Balance as at 30 September 2022	1,737,914,410	1,739,583,292	6,696,497,001	3,105,612,598	13,279,607,301


Chief Financial Officer


Director


Company Secretary


Managing Director


Chairman

BASHUNDHARA PAPER MILLS LIMITED

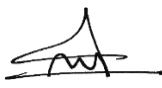
Statement of cash flows

for the period ended 30 September 2022

	Notes	01-Jul-2022 to 30-Sep-2022	01-Jul-2021 to 30-Sep-2021
		Amount in Taka	
A) Cash flows from operating activities			
Receipts from customers		2,568,799,681	2,057,112,712
Receipts from other income		80,772,718	45,046,307
Payment to suppliers, employees & others		2,649,572,398	2,102,159,019
Cash generated from operations		(3,745,040,239)	(1,366,047,189)
VAT paid		(1,095,467,841)	736,111,830
SD Paid		(175,839,330)	(116,260,584)
Income taxes paid		(11,441,388)	(10,469,680)
Bank charges and commission		(15,071,600)	(12,290,317)
Net cash (used in)/ generated by operating activities		(2,281,180)	(426,784)
		(1,300,101,340)	596,664,464
B) Cash flows from investing activities			
Payments for property, plant and equipment		(209,659,074)	(121,143,575)
Adjustment/ transfer for property, plant and equipment		-	130,000
Receipts/ transfer of capital work-in-progress		(314,747,948)	(497,765,036)
Net cash (used in)/ generated by investing activities		(524,407,022)	(618,778,611)
C) Cash flows from financing activities			
Received/ (repayment) of short term borrowings		1,341,684,153	620,816,354
Payments of Bank interest and other charges		(291,132,537)	(220,513,960)
Received/ (repayment) of lease liabilities		-	6,906,814
Received/ (repayment) of long term borrowings		839,220,971	(383,489,406)
Net cash (used in)/ generated by financing activities		1,889,772,587	23,719,802
D) Net increase in cash and cash equivalents (A+B+C)		65,264,225	1,605,654
E) Cash and cash equivalents at the beginning		412,937,636	416,398,153
F) Cash and cash equivalents at the end (D+E)		478,201,861	418,003,807
Net Operating Cash Flows per share	13	(7.48)	3.43

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 period ended 30 September 2022

	<i>Amount in Taka</i>	
	30-Sep-22	30-Jun-22

01.00 PROPERTY, PLANT AND EQUIPMENT

These financial statements have been prepared in line with accounting policies as adopted in the preparation of financial statements for the period ended from 01 July 2022 to 30 September 2022. The basis of preparation and significant accounting policies governing the quarterly statutory reporting has not been changed from the last reporting date. Hence no policy related general notes are being provided for Q1, 2022-2023 financial statements. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements. Certain figures for the Q1, 2021-2022 have been rearranged wherever considered necessary, to ensure better comparability with the current period's financial and to comply with relevant IASs, IFRSs and other applicable rules and regulations.

02.00 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.

5,000,000,000	5,000,000,000
----------------------	----------------------

Issued, subscribed & paid up:

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

1,737,914,410	1,737,914,410
---------------	---------------

Total

1,737,914,410	1,737,914,410
----------------------	----------------------

02.01 Movement of share capital:

Opening balance

Issuance of ordinary shares during the period

1,737,914,410	1,737,914,410
---------------	---------------

Closing balance

1,737,914,410	1,737,914,410
----------------------	----------------------

02.02 Position of shareholding

02.02.1 Percentage of Shareholders

Name of shareholders	30-Sep-22		30-Jun-22	
	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%
Total	173,791,441	100%	173,791,441	100%

02.02.2 Classification of shareholder's by holding range

	No of Share holders		No of shares	
	30-Sep-22	30-Jun-22	30-Sep-22	30-Jun-22
1-500 shares	6,300	7,052	1,105,393	1,145,836
501 to 5,000 shares	2,284	2,656	5,101,903	4,848,491
5,001 to 10,000 shares	310	391	2,800,161	2,965,359
10,001 to 20,000 shares	220	219	2,767,528	3,100,981
20,001 to 30,000 shares	90	86	2,359,582	2,115,205
30,001 to 40,000 shares	41	36	1,444,799	1,244,086
40,001 to 50,000 shares	31	29	1,146,534	1,326,059
50,001 to 100,000 shares	39	35	2,619,387	2,559,279
100,001 to 1,000,000 shares	27	28	6,696,379	6,736,370
1,000,001 to 1,000,000,000 shares	7	7	147,749,775	147,749,775
Total	9,349	10,539	173,791,441	173,791,441

	Amount in Taka	
	30-Sep-22	30-Jun-22
03.00 SHARE PREMIUM		
Opening Balance	1,739,583,292	1,739,583,292
Add: Addition during the period	-	-
Less: Adjustment during the period	-	-
Closing Balance	1,739,583,292	1,739,583,292
03.01 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.)		
04.00 REVALUATION RESERVE		
Opening Balance	6,699,420,709	2,306,671,844
Add: Addition during the year	-	4,406,185,151
Increase arising on revaluation of freehold land	-	4,542,458,919
Related tax	-	(136,273,768)
Adjustment of deferred tax on revaluation reserve	-	-
Less: Transferred to retained earnings	(2,923,708)	(13,436,286)
Depreciation on revaluation reserve	(3,654,635)	(16,795,358)
Deferred tax on revaluation reserve	730,927	3,359,072
Closing Balance	6,696,497,001	6,699,420,709
04.01 Tax rate, as per Section 53H of the Income Tax Ordinance 1984 read with Income Tax Rule 17II		
05.00 RETAINED EARNINGS		
Opening balance	2,893,522,862	2,580,788,166
Add: Profit attributable to the owners of the Company	209,166,028	507,848,139
Transferred from properties revaluation reserve	2,923,708	13,436,286
Less: Payment of dividend	-	(208,549,729)
Closing balance	3,105,612,598	2,893,522,862
06.00 LONG TERM BORROWINGS		
Long term borrowings	15,609,477,494	14,520,511,661
Other Finance	589,036,814	835,884,312
Total Long Term borrowings	16,198,514,308	15,356,395,973
Less: Current portion of long term borrowings	(1,985,636,395)	(1,981,213,717)
Due after one year	14,212,877,914	13,375,182,257
07.00 LEASE LIABILITIES		
Islamic Finance & Investment Ltd.	13,256,000	16,153,364
First Security Islami Bank Ltd.	-	-
Total lease liabilities	13,256,000	16,153,364
Less: Current portion of lease liabilities	(13,256,000)	(16,153,364)
Due after one year	-	-

08.00	DEFERRED TAX (ASSETS) / LIABILITIES	Amount in Taka	
		30-Sep-22	30-Jun-22

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:

Opening balance		1,094,236,481	930,887,110
Provided during the period:		56,973,917	163,349,371
Deferred tax income		11,691,015	(110,462,244)
Deferred tax expense		45,282,902	380,301,667
Deferred tax income resulting from reduction in income tax rate		-	(106,490,052)
Adjustment made during the period		-	-
Closing balance		1,151,210,398	1,094,236,481

08.01	Temporary timing difference:	Accounting base	Tax base	Temporary Difference
		Carrying Amount	Carrying Amount	
	As at September 30, 2022			
Property, Plant and equipment		15,573,371,688	(8,259,161,082)	7,314,210,605
Right-of-use assets		12,963,191	(20,530,721)	(7,567,530)
Intangible assets		154,303,356	(108,609,742)	45,693,614
Pre-operating expenses		-	(48,734,357)	(48,734,357)
Unused tax loss carry forward		-	(2,088,705,021)	(2,088,705,021)
Difference for vehicle		-	(2,597,348)	(2,597,348)
Net taxable temporary difference		15,740,638,234	(10,528,338,272)	5,212,299,962
Applicable tax rate				20%
Deferred tax liability-30 September 2022				1,042,459,992
Deferred tax liability-30 June 2022				(985,486,075)
Deferred tax expense/ (income) for the period				56,973,917

	As at June 30, 2022	Accounting base	Tax base	Temporary Difference
		Carrying Amount	Carrying Amount	
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)
Net taxable temporary difference		15,735,584,744	(10,808,154,368)	4,927,430,376
Applicable tax rate				20%
Deferred tax liability-30 June 2022				985,486,075
Less: 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
Deferred tax expense/ (income) for the year				133,565,656

09.00 INCOME TAX EXPENSE

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

a. Current tax expense:	18,729,642	11,981,852
Current tax expense in respect of the current period	18,729,642	11,981,852
Adjustments recognized in the current year in relation to the current tax of prior year's	-	-
b. Deferred tax expense/ (income):	56,973,917	23,261,423
Deferred tax expenses recognized in the period	56,973,917	23,261,423
Adjustments to deferred tax attributable to changes in tax rates and laws	-	-
c. Total income tax expense recognized in the current year (a+b)	75,703,559	35,243,275

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

	Amount in Taka	
	2022-2023	2021-2022
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 period	284,869,587	103,384,103
Less: Share of profit of equity	-	-
	284,869,587	103,384,103
Tax on accounting profits @ 20% (2021-2022 @ 22.5%)	56,973,917	23,261,423
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	18,729,642	11,981,852
Effect of unused tax losses and tax offsets not recognized as deferred tax assets	-	-
Effect of previously unrecognized and unused tax losses and deductible temporary differences now recognized as deferred tax assets	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-
Effect on deferred tax balances due to the change in income tax rate	-	-
Effect of unused tax credits	-	-
	75,703,559	35,243,275
Adjustments recognized in the current year in relation to the current tax of prior years	-	-
Income tax expense recognized in profit or loss	75,703,559	35,243,275

10.00 EARNINGS PER SHARE (EPS)

10.01 Basic Earnings per Share:

Profit attributable to the Ordinary Shareholders	209,166,028	68,140,828
Weighted Average Number of shares	173,791,441	173,791,441
Basic Earnings Per Share	1.20	0.39

10.02 Diluted Earnings Per Share:

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

10.03 Weighted average number of ordinary shares

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

10.04 Total Number of Ordinary Share outstanding

Opening number of shares outstanding	173,791,441	173,791,441
Add: Ordinary shares issued during the period	-	-
Total	173,791,441	173,791,441

11.00 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:

11.01 Loans to/from related parties:

Name of related Companies	Relationship	Nature of transaction	30-Sep-22	Compensation
East West Property Development (Pvt.) Ltd.	Shareholder & Sister Concern	Long term Loan	(1,070,422,697)	Market Price
East West Media Group Ltd.	Sister Concern	Short term Loan	163,578,846	Market Price
Bashundhara Steel and Engineering Ltd.	Sister Concern	Short term Loan	56,790,293	Market Price
Bashundhara Multi-Paper Industries Ltd.	Sister Concern	Short term Loan	(76,110,559)	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 L	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	221,814,956	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	12,220,000	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	3,358,144	Market Price
Bashundhara Multi Trading Ltd.	Sister Concern	Short term Loan	(1,435,829)	Market Price
Bashundhara Multi Steel Industries Ltd.	Sister Concern	Short term Loan	100,706,280	Market Price

11.02 Compensation of key management personnel during the period as follows:

Amount in Taka	
2022-2023	2021-2022
24,000,000	6,000,000
-	-
-	-
-	-
24,000,000	6,000,000

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

a) The amount of transaction	24,000,000	6,000,000
b) The amount of outstanding balance, including commitments, and:	(546,884,311)	(798,789,779)
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

		Amount in Taka	
		2022-2023	2021-2022
12.00	NET ASSET VALUE (NAV) PER SHARE		
Total Assets		37,322,082,980	34,854,110,736
Less: Intangible Assets		(154,303,355)	(156,255,465)
Total Liabilities		(24,042,475,679)	(21,783,669,463)
Net Asset Value (NAV)		13,125,303,946	12,914,185,808
Weighted Average Number of Ordinary shares outstanding during the period		173,791,441	173,791,441
Net Asset Value (NAV) Per Share (per value Tk. 10 each)		75.52	74.31
13.00	NET OPERATING CASH FLOW (NOCFPS) PER SHARE		
Net Operating Cash Flows		(1,300,101,340)	596,664,464
Weighted Average Number of Ordinary shares outstanding		173,791,441	173,791,441
Net Operating Cash Flows per share (per value Tk. 10 each)		(7.48)	3.43
14.00	RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT		
Net Profit after tax		209,166,028	68,140,828
Adjustment for:			
Income tax expense recognized in profit and loss		75,703,559	35,243,275
Workers' profit participation & welfare fund		14,993,136	5,441,269
Amortization of intangible assets		1,952,110	2,388,373
Depreciation of non-current assets		206,805,790	282,122,312
		508,620,623	393,336,058
Adjustment for separate consideration			
Finance cost recognized in profit and loss		291,132,537	220,513,960
Movements in working capital:			
(Increase)/decrease in inventories		(989,517,272)	185,461,790
(Increase)/decrease in trade and other receivables		(714,402,427)	(61,004,653)
(Increase)/decrease in advance, deposit and prepayment		(366,999,415)	50,078,503
Increase/(decrease) in trade payables & other payables		(227,315,834)	(297,800,583)
Increase/(decrease) in provision for expense		213,452,049	118,369,705
Cash generated from operations		(2,084,782,900)	(4,895,237)
Income taxes paid		(15,071,600)	(12,290,317)
Net cash (used in)/ generated by operating activities		(1,300,101,340)	596,664,464

15.00 SIGNIFICANT DEVIATIONS AND OUTLOOK

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.

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.

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.

Demand for paper and hygiene products are expected to remain stable in the company's main market. The seasonal impact in demand for tissue and hygiene products may increase delivery volumes to some extent. The average prices of all products are expected to increase slightly. Revenue is increased by 56.32% during the 1st quarter, 2022-2023 from the same period of 2021-2022. The Company has invested for diversified hygiene and toiletries portfolio in recent years. Capacity of production is increased significantly as well as price of products in 2022-2023.

Earnings per share (EPS):

Net profit after tax increased same period of previous year. Increase in profit is driven by decent revenue growth during the period ended on 30 September 2022. Management of the Company has taken responsive business strategy as a result sales increased by 56.32% which resulting increase in earnings per share from Tk. 0.39 to TK. 1.20. 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 period of previous year.

Net Operating cash flow per share (NOCFPS):

Net Operating cash flow per share (NOCFPS) decreased from same period previous year because of increase in value of imported raw materials and decreased in collection of trade and other receivables.

16.00 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in it's meeting held on 14 November 2022 approved for considering the 1st quarter unaudited financial statements of the company for the period ended from 01 July 2022 to 30 September 2022 and authorised the same for issue.

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.

17.00 COMPARATIVES, RECLASSIFICATION AND RESTATEMENT

- 17.01 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith;
- 17.02 Figures appearing in these accounts have been rounded off to the nearest taka;
- 17.03 Previous periods'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 period.