

Quarterly Financial Statements

For the Quarter Ended December 31, 2020



Bashundhara Paper Mills Ltd.



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



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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 Selected Explanatory Notes 5-10
•	
•	
•	
•	



BASHUNDHARA PAPER MILLS LIMITED

Statement of financial position

As at 31 December 2020

	Notes	31-Dec-20	30-Jun-20
		Amount in Taka	
ASSETS			
Non-current assets		17,537,809,005	17,200,941,398
Property, plant and equipment, net		15,904,999,054	15,407,776,066
Intangible Assets, net		153,992,350	158,794,592
Right-of-use assets		32,767,758	41,169,020
Capital work-in-progress		1,181,049,843	1,328,201,720
Investment		265,000,000	265,000,000
Current assets		11,635,502,033	10,343,421,434
Inventories		7,951,535,515	7,464,742,402
Trade and other receivables		1,892,191,807	1,404,774,156
Advances, deposits and prepayments		847,436,302	708,955,164
Advance income tax		379,100,115	483,959,471
Cash and bank equivalents		565,238,295	280,990,242
Total assets		29,173,311,039	27,544,362,832
EQUITY AND LIABILITIES			
Capital and reserves		7,911,825,203	7,727,026,535
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	2,063,054,710	2,072,945,223
Retained earnings	5	2,371,272,791	2,176,583,610
Liabilities			
Non-current Liability		13,880,171,035	12,713,532,431
Long term borrowings		12,373,260,388	11,181,370,158
Lease Liabilities		266,529,948	343,036,876
Deferred tax liability		1,240,380,699	1,189,125,397
Current liabilities		7,381,314,801	7,103,803,866
Long term borrowings-current portion		1,965,163,580	1,974,333,458
Short term borrowings		4,234,288,329	3,126,622,374
Trade and other payables		980,023,497	1,576,257,948
Provision for expenses		58,054,402	110,078,848
Income tax provision		143,784,993	316,511,236
Total liabilities		21,261,485,836	19,817,336,297
Total equity and liabilities		29,173,311,039	27,544,362,832
Net Asset Value Per Share	10	44.64	43.55

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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chairman

BASHUNDHARA PAPER MILLS LIMITED

Statement of profit or loss and other comprehensive income for the period ended 31 December 2020

	Notes	01-Jul-2020 to 31-Dec-2020	01-Jul-2019 to 31-Dec-2019	01-Oct-2020 to 31-Dec-2020	01-Oct-2019 to 31-Dec-2019
		Amount in Taka			
Revenue, net		4,377,114,379	4,705,107,843	2,396,329,245	2,152,526,884
Cost of sales		(3,444,231,734)	(3,641,866,264)	(1,898,385,832)	(1,692,152,662)
Gross profit		932,882,645	1,063,241,579	497,943,412	460,374,222
Other income		41,844,471	31,855,567	20,002,327	14,542,702
Administrative expenses		(160,078,656)	(178,072,934)	(73,648,054)	(83,793,561)
Selling & distribution expenses		(96,674,076)	(125,020,095)	(46,269,982)	(51,110,906)
Finance costs		(502,162,583)	(538,562,920)	(271,637,509)	(255,012,806)
Profit before distribution of Workers' profit participation & welfare fund		215,811,801	253,441,196	126,390,194	84,999,651
Workers' profit participation & welfare fund		(10,790,590)	(12,672,060)	(6,319,510)	(4,249,983)
Profit before tax		205,021,211	240,769,137	120,070,684	80,749,669
Income tax expenses	7	(77,520,786)	(88,425,522)	(44,398,379)	(45,743,915)
Current tax expense		(26,265,483)	(28,233,238)	(14,380,708)	(12,813,875)
Deferred tax (expense)/income		(51,255,303)	(60,192,284)	(30,017,671)	(32,930,040)
Profit after tax		127,500,425	152,343,615	75,672,305	35,005,753
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-	-	-
Total Comprehensive Income for the period		127,500,425	152,343,615	75,672,305	35,005,753
Earnings per share					
Basic earnings per share (per value of Tk. 10)	8	0.73	0.88	0.44	0.20

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

Sd/-
Chief Financial Officer

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Managing Director

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Company Secretary

Sd/-
Director

Sd/-
Chairman

BASHUNDHARA PAPER MILLS LIMITED

Statement of changes in equity

for the period ended 31 December 2020

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Amount in Taka					
Balance as on 01 July 2019	1,737,914,410	1,739,583,292	2,092,726,250	1,910,028,347	7,480,252,300
Transfer to retained earnings	-	-	(15,505,827)	15,505,827	-
Total Comprehensive Income for the period	-	-	-	152,343,615	152,343,615
Balance as at 31 December 2019	1,737,914,410	1,739,583,292	2,077,220,423	2,077,877,789	7,632,595,914
Balance as at 01 July 2020	1,737,914,410	1,739,583,292	2,072,945,224	2,176,583,610	7,727,026,535
Transfer to retained earnings	-	-	(9,890,513)	9,890,513	-
Adjustment for current tax of prior years	-	-	-	57,298,243	57,298,243
Total Comprehensive Income for the period	-	-	-	127,500,425	127,500,425
Balance as at 31 December 2020	1,737,914,410	1,739,583,292	2,063,054,710	2,371,272,791	7,911,825,203

Sd/-

Chief Financial Officer

Sd/-

Managing Director

Sd/-

Company Secretary

Sd/-
Director

Sd/-
Chairman

BASHUNDHARA PAPER MILLS LIMITED

Statement of cash flows

for the period ended 31 December 2020

	Notes	01-Jul-2020 to 31-Dec-2020	01-Jul-2019 to 31-Dec-2019
		Amount in Taka	
A) Cash flows from operating activities			
Receipts from customers		4,210,859,940	5,568,120,625
Receipts from other income		22,137,149	8,135,451
Payment to suppliers, employees & others		4,232,997,089	5,576,256,076
Cash generated from operations		(4,314,970,951)	(4,150,153,972)
VAT paid		(81,973,862)	1,426,102,104
SD Paid		(290,698,807)	(182,515,895)
Income taxes paid		(10,757,083)	(12,995,142)
Bank charges and commission		(36,844,222)	(35,459,330)
Net cash (used in)/ generated by operating activities		(422,878,344)	1,187,509,674
B) Cash flows from investing activities			
Payments for property, plant and equipment		(141,065,961)	(230,243,903)
Adjustment/ transfer of intangible assets		-	5,703,750
Adjustment/ transfer for property, plant and equipment		955,629	-
Receipts/ transfer of capital work-in-progress		(867,084,435)	(585,233,374)
Net cash (used in)/ generated by investing activities		(1,007,194,767)	(809,773,527)
C) Cash flows from financing activities			
Received/ (repayment) of short term borrowings		1,107,665,954	(951,384,190)
Payments of Bank interest and other charges		(499,558,213)	(532,513,175)
Received/ (repayment) of lease liabilities		(76,506,929)	(10,095,847)
Received/ (repayment) of long term borrowings		1,182,720,352	162,777,104
Net cash (used in)/ generated by financing activities		1,714,321,165	(1,331,216,108)
D) Net increase in cash and cash equivalents (A+B+C)		284,248,053	(953,479,961)
E) Cash and cash equivalents at the beginning		280,990,242	1,336,654,791
F) Cash and cash equivalents at the end (D+E)		565,238,295	383,174,830
Net Operating Cash Flows per share	11	(2.43)	6.83

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

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Bashundhara Paper Mills Limited

Notes to the financial statements

As at and for the quarter ended 31 December 2020

01.00	SELECTED EXPLANATORY NOTES	Amount in Taka	
		31-Dec-20	30-Jun-20

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 2020 to 31 December 2020. 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 Q2, 2020-2021 accounts. 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 Q2, 2019-2020 have been rearranged wherever considered necessary, to ensure better comparability with the current period's financial and to comply with relevant IASs and IFRSs and other applicable laws 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	31-Dec-20		30-Jun-20	
	Nos. of Shares	Percentages of holdings	Nos. of Shares	Percentages of holdings
Mr. Ahmed Akbar Sobhan	4,000,000	2.30%	4,000,000	2.30%
Mrs. Afroza Begum	5,885,200	3.39%	5,885,200	3.39%
Mr. Sadat Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Shafiat Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Sayem Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Safwan Sobhan	8,203,000	4.72%	8,203,000	4.72%
Mr. Md. Imrul Hassan	4,002,000	2.30%	4,002,000	2.30%
East West Property Development (Pvt.) Ltd. Represented by-Mr. Md. Nazmul Alam Bhuiyan	101,050,575	58.14%	101,050,575	58.14%
General public and institutions	26,041,666	14.98%	26,041,666	14.98%
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	
	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
1-500 shares	9,162	10,990	1,488,280	1,488,280
501 to 5,000 shares	2,999	3,431	6,183,233	6,183,233
5,001 to 10,000 shares	377	402	2,968,122	2,968,122
10,001 to 20,000 shares	182	211	2,975,638	2,975,638
20,001 to 30,000 shares	97	91	2,228,692	2,228,692
30,001 to 40,000 shares	31	24	819,454	819,454
40,001 to 50,000 shares	21	24	1,096,164	1,096,164
50,001 to 100,000 shares	27	31	2,214,559	2,214,559
100,001 to 1,000,000 shares	35	30	6,067,524	6,067,524
1,000,001 to 1,000,000,000 shares	7	7	147,749,775	147,749,775
Total	12,938	15,241	173,791,441	173,791,441

	Amount in Taka	
	31-Dec-20	30-Jun-20
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	2,072,945,223	2,092,726,250
Add: Increase arising on revaluation of properties	-	-
Less: Transferred to retained earnings	(9,890,513)	(19,781,027)
Closing Balance	2,063,054,710	2,072,945,223

05.00 RETAINED EARNINGS		
Opening balance	2,176,583,610	1,910,028,347
Add: Profit attributable to the owners of the Company	127,500,425	285,836,735
Transferred from properties revaluation reserve	9,890,513	19,781,027
Less: Adjustment for current tax of prior years	57,298,243	-
Payment of dividend	-	(39,062,499)
Closing balance	2,371,272,791	2,176,583,610

06.00 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:			
Opening balance			
Provided during the period:	1,189,125,397	1,076,753,353	
Deferred tax income	51,255,303	112,372,044	
Deferred tax expense	-	-	
	NOTE 06.01		
	51,255,303	112,372,044	
	-	-	
Closing balance	1,240,380,699	1,189,125,397	

06.01 Temporary timing difference:

As at December 31, 2020	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	13,223,245,913	(8,251,086,828)	4,972,159,085
Right-of-use assets	32,767,758	(30,390,870)	2,376,888
Intangible assets	153,992,350	(117,916,953)	36,075,398
Pre-operating expenses	-	(53,999,288)	(53,999,288)
Unused tax loss carry forward	-	(892,282,026)	(892,282,026)
Difference for vehicle	-	(3,844,759)	(3,844,759)
Net taxable temporary difference	13,410,006,022	(9,349,520,724)	4,060,485,298
Applicable tax rate			25%
Deferred tax liability-31 December 2020			1,015,121,324
Deferred tax liability-30 June 2019			(963,866,022)
Deferred tax expense/ (income) for the period			51,255,303

As at June 30, 2020	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	12,726,022,925	(8,004,050,536)	4,721,972,389
Right-of-use assets	41,169,020	(33,767,634)	7,401,386
Intangible assets	158,794,592	(124,129,432)	34,665,160
Pre-operating expenses	-	(56,841,355)	(56,841,355)
Unused tax loss carry forward	-	(847,461,539)	(847,461,539)
Difference for vehicle	-	(4,271,954)	(4,271,954)
Net taxable temporary difference	12,925,986,537	(9,070,522,450)	3,855,464,087
Applicable tax rate			25%
Deferred tax liability-30 June 2020			963,866,022
Less: Deferred tax liability-30 June 2019			(851,493,978)
Deferred tax expense/ (income) for the year			112,372,044

07.00	INCOME TAX EXPENSE	Amount in Taka	
		2020-2021	2019-2020
In compliance with the requirements of Para 79 of IAS-12: Income Tax, the major components of tax expenses are given below:			
<i>a. Current tax expense:</i>		26,265,483	51,279,394
Current tax expense in respect of the current period		26,265,483	51,279,394
Adjustments recognized in the current year in relation to the current tax of prior year's		-	-
<i>b. Deferred tax expense/ (income):</i>		51,255,303	112,372,044
Deferred tax expenses recognized in the period		51,255,303	112,372,044
Adjustments to deferred tax attributable to changes in tax rates and laws		-	-
<i>c. Total income tax expense recognized in the current period (a+b)</i>		77,520,786	163,651,438

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

In compliance with the requirements of para-81 (c) of IAS-12: (Income tax), the reconciliation of tax expense and Accounting profit for the period	205,021,211	240,769,137
Less: Share of profit of equity	-	-
Tax on accounting profits @ 25%	205,021,211	240,769,137
	51,255,303	60,192,284
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	26,265,483	28,233,238
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	-	-
	77,520,786	88,425,522
Adjustments recognized in the current year in relation to the current tax of prior years	-	-
Income tax expense recognized in profit or loss	77,520,786	88,425,522

08.00 EARNINGS PER SHARE (EPS)

08.01 Basic Earnings per Share

Profit attributable to the Ordinary Shareholders	127,500,425	152,343,615
Weighted Average Number of shares	173,791,441	173,791,441
Basic Earnings Per Share Per Share (per value Tk. 10 each)	0.73	0.88

08.02 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 period since there was no scope for dilution of share during the period under review.

09.00 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:

09.01 Loans to/from related parties:

Name of related Companies	Relationship	Nature of transaction	31-Dec-20	Compensation
East West Property Development (Pvt.) Ltd.	Shareholder & Sister Concern	Long term Loan	(725,152,863)	Market Price
East West Media Group Ltd.	Sister Concern	Short term Loan	140,442,846	Market Price
Bashundhara Steel and Engineering Ltd.	Sister Concern	Short term Loan	57,390,293	Market Price
Bashundhara Multi-Paper Industries Ltd.	Sister Concern	Short term Loan	(99,810,558)	Market Price
Bashundhara Infrastructure Development Ltd.	Sister Concern	Short term Loan	3,281,222	Market Price
Bashundhara Industrial Complex Ltd.	Sister Concern	Short term Loan	(164,966,492)	Market Price
Bashundhara Industrial Complex Ltd.	Sister Concern	Investment	265,000,000	Market Price
Bashundhara Cement Industries Ltd.	Sister Concern	Short term Loan	2,518,436	Market Price
Sundarban Industrial Complex Ltd.	Sister Concern	Short term Loan	7,367,465	Market Price
Bashundhara Food & Beverage Industries Lt	Sister Concern	Short term Loan	4,065,831	Market Price
Bashundhara Fine Paper Mills Ltd.	Sister Concern	Short term Loan	800,000	Market Price
Bashundhara Glass Industries Ltd.	Sister Concern	Short term Loan	1,371,500	Market Price
Bashundhara LP Gas Ltd.	Sister Concern	Short term Loan	(190,746,366)	Market Price
Bashundhara Airways Ltd.	Sister Concern	Short term Loan	160,996,902	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	110,599,360	Market Price
Bashundhara Chemical Industries Ltd.	Sister Concern	Short term Loan	(7,680,000)	Market Price
Toggi Services Ltd.	Sister Concern	Short term Loan	72,300,000	Market Price
Toggi Real Estate & Construction Ltd.	Sister Concern	Short term Loan	1,250,000	Market Price
Bashundhara Chemical Industries Ltd.	Sister Concern	Short term Loan	720,000	Market Price
Bashundhara Multi Steel Industries Ltd.	Sister Concern	Short term Loan	580,667	Market Price
Bashundhara Multi Trading Ltd.	Sister Concern	Short term Loan	(18,371,760)	Market Price

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

Short-term benefits
Post-employment benefits
Other long term benefits
Termination benefits

Amount in Taka	
2020-2021	2019-2020
300,000	15,000,000
-	-
-	-
-	-
300,000	15,000,000

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

a) The amount of transaction	300,000	17,500,000
b) The amount of outstanding balance, including commitments, and:	61,917,444	79,117,444
i) Their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement: and	Remuneration, Working Capital Management	Remuneration, Working Capital Management
ii) details of any guarantee given or received	Nil	Nil
c) Provisions for doubtful debts related to the amount of outstanding balances; and	Nil	Nil
d) The expenses recognized during the period in respect of bad or doubtful debts due from related parties	Nil	Nil

			Amount in Taka	
			2020-2021	2019-2020
10.00	NET ASSET VALUE (NAV) PER SHARE			
Total Assets			29,173,311,039	27,544,362,832
Less: Intangible Assets			(153,992,350)	(158,794,592)
Total Liabilities			(21,261,485,836)	(19,817,336,297)
Net Asset Value (NAV)			7,757,832,852	7,568,231,944
Weighted Average Number of Ordinary shares			173,791,441	173,791,441
Net Asset Value (NAV) Per Share (per value Tk. 10 each)			44.64	43.55
11.00	NET OPERATING CASH FLOW (NOCFPS) PER SHARE			
Net Operating Cash Flows			(422,878,344)	1,187,509,674
Weighted Average Number of Ordinary shares outstanding			173,791,441	173,791,441
Net Operating Cash Flows per share (per value Tk. 10 each)			(2.43)	6.83
12.00	RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT			
Total Comprehensive Income for the period			127,500,425	152,343,615
Adjustment for:				
Income tax expense recognized in profit and loss			77,520,786	88,425,522
Workers' profit participation & welfare fund			10,790,590	12,672,060
Amortization of intangible assets			4,802,241	3,806,731
Depreciation of non-current assets			657,755,631	499,947,737
Adjustment for separate consideration			878,369,673	757,195,665
Finance cost recognized in profit and loss			499,558,213	530,940,857
Movements in working capital:				
(Increase)/decrease in inventories			(486,793,113)	(221,204,494)
(Increase)/decrease in trade and other receivables			(487,417,651)	643,781,629
(Increase)/decrease in advance, deposit and prepayment			(130,820,393)	(488,346,234)
Increase/(decrease) in trade payables & other payables			(606,916,497)	(173,736,497)
Increase/(decrease) in provision for expense			(52,024,447)	174,338,079
Cash generated from operations			(1,763,962,009)	(65,167,518)
Income taxes paid			(36,844,222)	(35,459,330)
Net cash (used in)/ generated by operating activities			(422,878,344)	1,187,509,675

13.00 SIGNIFICANT DEVIATIONS

The consumption and the economic activities are deteriorated due to the impact of COVID-19 started in December, 2019 in China. The influence is too profound to predict when the pandemic wanes or how the price trends of raw materials fluctuate or when the demands in our products recover. Regarding the new corona virus pandemic, we are assuming the huge impact on all kinds of Paper and Paper allied products business locally and internationally.

In the second quarter of the year has been marked by challenging harvesting conditions, decrease in sales price due to the Covid-19 pandemic. Lower prices and volumes during the quarter had a negative impact on sales and operational EBIT, compared to the second quarter of last year. Nevertheless, we have faced some logistical challenges and a major shutdown of operations in China due to COVID-19. From the very beginning we experienced a significant reduction of orders due to the lockdown condition, demand of the certain products have been decreasing. Schools, offices, retailers and other business sectors locally and abroad are closed from middle of March 2020. Majority of products do not have any demand as they are largely used in School, College, Universities and Corporate Offices till now.

As a result, sales is decreased for the period ended on 31 December 2020 compared to previous period. In contrast, supply chain broke down, rendering our products distribution difficult and expensive than before pandemic. Sourcing of raw material become very hard and higher price too. Consequently, production costs and operational costs are increased. Despite very low sales, the Company is regularly paying salaries and other benefits to employees, utilities cost, rentals and other operational fixed costs.

- 13.01 Earnings per share (EPS) decreased for lower profit after tax from same period of previous year. Decline in profit is driven by slashing the sales rate as result of lower sales volume, impact of COVID-19 pandemic, decrease in production volume, increase in utility costs and other fixed overhead costs, bank interest, increased in depreciation expenses as well.
- 13.02 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.

14.00 EVENTS AFTER THE REPORTING PERIOD

There are no other events identified after the date of the 2nd quarter statement of financial position which require adjustment or disclosure in the accompanying financial statements

15.00 IMPACT OF COVID19 AND GOING CONCERN STATEMENT

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

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in governments offices, Service Providers and private and public entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus. After close monitoring and responses and guidance from governments, in an effort to mitigate the spread of COVID-19, effective March 19, 2020, the Company closed its production due to lockdown at Narayangonj and its distribution centers and its offices with Associates working remotely where possible. The Company continues to monitor developments, including government requirements and recommendations at the national, state, and local level to evaluate possible extensions to all or part of such closures.

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

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

Following its assessment, the directors have formed a judgement, at the time of approving the quarterly financial statements for the quarter ended December 31, 2020, that there are no material uncertainties that cast doubt on the Company's going concern status and that it is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the financial statements.