


Bashundhara Paper Mills Ltd ■



QUARTERLY FINANCIAL STATEMENTS
For the quarter ended 31 December 2019

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IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**
IAS 1.10(b),81(b) **Statement of profit or loss and other comprehensive income**
IAS 1.51 (b), (c) **for the quarter ended 31 December 2019**

IAS 1.113	Notes	01-Jul-2019 to 31-Dec-2019	01-Jul-2018 to 31-Dec-2018	01-Oct-2019 to 31-Dec-2019	01-Oct-2018 to 31-Dec-2018
IAS 1.51(d), (e)		Amount in Taka			
IAS 1.82(a)	Revenue, net	4,705,107,843	5,749,138,291	2,152,526,884	2,782,445,401
IAS 1.82(b),103	Cost of sales	(3,641,866,264)	(4,572,479,326)	(1,692,152,662)	(2,315,742,678)
IAS 1.85	Gross profit	1,063,241,579	1,176,658,965	460,374,222	466,702,723
IAS 1.85	Other income	31,855,567	33,920,843	14,542,702	15,202,645
IAS 1.82(b)	Administrative expenses	(178,072,934)	(185,699,051)	(83,793,561)	(85,263,335)
IAS 1.82(b)	Selling & distribution expenses	(125,020,095)	(150,966,804)	(51,110,906)	(59,355,515)
IAS 1.82(b)	Finance costs	(538,562,920)	(552,754,447)	(255,012,806)	(268,636,878)
	Profit before distribution of WPP & WF	253,441,196	321,159,505	84,999,651	68,649,642
IAS 1.99	Workers' profit participation & welfare fund	(12,672,060)	(16,057,975)	(4,249,983)	(3,432,482)
IAS 1.85	Profit before tax	240,769,137	305,101,530	80,749,669	65,217,160
IAS 1.82 (d)	Income tax expenses	(88,425,522)	(76,275,382)	(45,743,915)	(16,304,289)
IAS 12.79	Current tax expense	(28,233,238)	(106,055,931)	(12,813,875)	(30,222,901)
IAS 12.81 (d)	Deferred tax (expense)/income	(60,192,284)	29,780,549	(32,930,041)	13,918,612
IAS 1.82(f)	Profit after tax	152,343,615	228,826,148	35,005,754	48,912,870
IAS 1.96	Other comprehensive income				
IAS 1.82A(a)	<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-	-	-
IAS 1.82A(b)	<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
IAS 1.83(b)	Total Comprehensive Income for the period	152,343,615	228,826,148	35,005,754	48,912,870
IAS 33.66	Earnings per share	0.88	1.32	0.20	0.28

The annexed notes 1 to 15 form an integral part of these financial statements.

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chairman

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**
IAS 1.10(c) **Statement of changes in equity**
IAS 1.51(c) **for the quarter ended 31 December 2019**

IAS 1.113

IAS 1.51
(d), (e)

IAS 1.106(a)

IAS 1.106(a)

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	Amount in Taka				
Balance as on 01 July 2018	1,737,914,410	1,739,583,292	2,112,514,322	1,959,489,520	7,549,501,544
Transfer to retained earnings	-	-	(15,505,827)	15,505,827	-
Total Comprehensive Income for the period	-	-	-	228,826,148	228,826,148
Balance as at 31 December 2018	1,737,914,410	1,739,583,292	2,097,008,495	2,203,821,495	7,778,327,691
Balance as at 01 July 2019	1,737,914,410	1,739,583,292	2,092,726,250	1,910,028,348	7,480,252,300
Transfer to retained earnings	-	-	(9,890,513)	9,890,513	-
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	2,082,835,737	2,072,262,476	7,632,595,914

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Chairman

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**

IAS 1.10(d) **Statement of cash flows**
IAS 1.51(b), (c) **for the quarter ended 31 December 2019**

IAS 1.113	Notes	01-Jul-2019 to 31-Dec-2019	01-Jul-2018 to 31-Dec-2018
IAS 1.113(d), e		Amount in Taka	
IAS 7.10	A) Cash flows from operating activities		
IAS 7.18(a)	Receipts from customers	5,568,120,625	5,740,376,080
	Receipts from other income	8,135,451	10,947,297
		5,576,256,076	5,751,323,377
IAS 7.1(c)	Payment to suppliers, employees & others	(4,150,153,972)	(5,165,435,742)
	Cash generated from operations	1,426,102,104	585,887,635
	VAT paid	(182,515,895)	(212,553,989)
	SD Paid	(12,995,142)	(7,017,806)
IAS 7.35	Income taxes paid	(35,459,330)	(27,809,442)
IAS 7.31	Bank charges and commission	(7,622,063)	(5,798,012)
	Net cash (used in)/ generated by operating activities	1,187,509,674	332,708,386
IAS 7.10	B) Cash flows from investing activities		
IAS 7.16(a)	Payments for property, plant and equipment	(230,243,903)	116,883,528
	Adjustment/ transfer of intangible assets	5,703,750	-
	Receipts/ transfer of capital work-in-progress	(585,233,374)	(3,306,592,022)
	Net cash (used in)/ generated by investing activities	(809,773,527)	(3,189,708,494)
IAS 7.10	C) Cash flows from financing activities		
IAS 7.17(c)	Received/ (repayment) of short term borrowings	(951,384,190)	(10,064,464)
IAS 7.33	Payments of Bank interest and other charges	(532,513,175)	(546,956,435)
	Received/ (repayment) of Intercompany debt	(82,577,820)	(115,632,967)
	Received/ (repayment) of lease liabilities	(10,095,847)	-
IAS 7.17(d)	Received/ (repayment) of long term borrowings	245,354,924	3,350,162,726
	Net cash (used in)/ generated by financing activities	(1,331,216,109)	2,677,508,860
IAS 7.50(d)	D) Net increase in cash and cash equivalents (A+B+C)	(953,479,962)	(179,491,248)
	E) Cash and cash equivalents at the beginning	1,336,654,791	1,519,454,492
	F) Cash and cash equivalents at the end (D+E)	383,174,828	1,339,963,243
	Net Operating Cash Flows per share	6.83	1.91

The annexed notes 1 to 15 form an integral part of these financial statements.

Sd/-
Chief Financial Officer

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Company Secretary

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chairman

01.00 SELECTED EXPLANATORY NOTES**Amount in Taka****31-Dec-19 | 30-Jun-19**

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 2019 to 31 December 2019. 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, 2019-2020 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, 2018-2019 have been rearranged wherever considered necessary, to ensure better comparability with the current period's financial and to comply with relevant IASs and IFRSs.

01.01 New Standards, Interpretations and Amendments adopted By the Company**IFRS 16 Leases**

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.

02.00 RIGHT-OF-USE ASSETS**A. Cost:**

Opening Balance

Add: Reclassification on initial application of IFRS 16 as at 01 January 2019

Less: Addition during the period

Closing Balance**B. Accumulated amortization:**

Opening Balance

Add: Reclassification on initial application of IFRS 16 as at 01 January 2019

Add: Charged during the period

Closing Balance**C. Written down value (A-B)**

	-	-
	111,791,600	-
	-	-
	111,791,600	-
	-	-
	56,620,475	-
	8,401,262	-
	65,021,737	-
	46,769,863	-

03.00 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:

IAS 1.79
(a)(i)**Authorized share capital:**

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

5,000,000,000 | 5,000,000,000

IAS 1.79
(a)(ii)**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****03.01 Movement of share capital:****Opening balance**

Issuance of ordinary shares during the period

Closing balance

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

03.02 Position of shareholding

03.02.1 Percentage of Shareholders

Name of shareholders	31-Dec-19		30-Jun-19	
	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%

03.02.2 Classification of shareholder's by holding range

	No of Share holders		No of shares	
	31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19
1-500 shares	11,614	12582	1,570,348	1,715,224
501 to 5,000 shares	3,578	3845	6,390,962	6,760,033
5,001 to 10,000 shares	390	406	2,841,010	2,975,198
10,001 to 20,000 shares	205	236	2,911,640	3,325,912
20,001 to 30,000 shares	96	92	2,305,930	2,171,206
30,001 to 40,000 shares	21	27	730,632	916,993
40,001 to 50,000 shares	28	27	1,275,422	1,218,565
50,001 to 100,000 shares	28	36	1,984,626	2,598,112
100,001 to 1,000,000 shares	30	23	6,031,096	4,360,423
1,000,001 to 1,000,000,000 shares	7	7	147,749,775	147,749,775
Total	15,997	17,281	173,791,441	173,791,441

04.00 SHARE PREMIUM

	Amount in Taka	
	31-Dec-19	30-Jun-19
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

04.01 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.)

IAS 1.106(d) & 05.00 REVALUATION RESERVE

	Amount in Taka	
	31-Dec-19	30-Jun-19
Opening Balance	2,092,726,250	2,112,514,322
Add: Increase arising on revaluation of properties	-	-
Less: Transferred to retained earnings	(9,890,513)	(19,788,072)
Closing Balance	2,082,835,737	2,092,726,250

IAS
1.106(b),
(d)
IAS 106 A

06.00 RETAINED EARNINGS

Opening balance	
Add: Profit attributable to the owners of the Company	
Transferred from properties revaluation reserve	
Less: Adjustment for current tax of prior years	
Final dividend for the year 2017-2018	
Closing balance	

Amount in Taka	
31-Dec-19	30-Jun-19
1,910,028,348	1,959,489,520
152,343,615	291,848,486
9,890,513	19,788,072
-	(13,514,849)
-	(347,582,882)
2,072,262,476	1,910,028,348

IFRS 7.8 (f)

07.00 LONG TERM BORROWINGS

Bank loan:

LTR (long term)-Janata Bank Ltd.	
Project Loan-Janata Bank Ltd.	
Term loan-Southeast Bank Ltd.	
Term Loan-Basic Bank Ltd.	
Term loan-Mercantile Bank Ltd.	
Term loan-National Bank Ltd.	
Term loan- IFIC Bank Ltd.	
Term loan- Shahjalal Islami Bank Ltd.	
Term loan- Bank Asia Ltd.	
Term loan-Standard Bank Ltd.	
Total Long Term borrowings	
Less: Current portion of long term borrowings	
Due after one year	

209,704,657	606,111,135
551,898,988	231,593,670
1,449,940,402	1,539,610,341
359,888,086	408,624,109
2,196,205,320	2,345,930,635
2,002,017,584	2,079,575,732
1,429,168,804	853,968,851
880,864,444	911,552,222
237,485,441	-
991,974,256	1,055,940,748
10,309,147,983	10,032,907,444
(1,394,862,837)	(1,635,247,853)
8,914,285,146	8,397,659,591

08.00 LEASE LIABILITIES

Finance Lease obligation:

Islamic Finance & Investment Ltd.	
GSP Finance Company (BD) Ltd.	
Total lease liabilities	
Less: Current portion of lease liabilities	
Due after one year	

40,150,591	43,089,327
63,066,566	101,109,292
103,217,157	144,198,619
(74,366,684)	(105,252,299)
28,850,473	38,946,320

09.00 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	1,076,753,353	957,392,014
Provided during the period:	60,192,284	119,361,339
Deferred tax income	-	(75,485,710)
Deferred tax expense	60,192,284	194,847,049
Adjustment made during the period	-	-
Closing balance	1,136,945,637	1,076,753,353

As at December 31, 2019	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	10,358,828,772	(6,417,464,807)	3,941,363,964
Right-of-use assets	46,769,863	(37,988,588)	8,781,275
Intangible assets	162,991,595	(131,038,863)	31,952,733
Pre-operating expenses	-	(56,841,355)	(56,841,355)
Unused tax loss carry forward	-	(273,705,619)	(273,705,619)
Difference for vehicle	-	(4,805,948)	(4,805,948)
Net taxable temporary difference	10,568,590,230	(6,921,845,180)	3,646,745,050
Applicable tax rate			25%
Deferred tax liability-31 December 2019			911,686,262
Deferred tax liability-30 June 2019			(851,493,978)
Deferred tax expense/ (income) for the period			60,192,284

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

IAS 33.70

10.00 EARNINGS PER SHARE (EPS)

Profit attributable to the Ordinary Shareholders
Weighted Average Number of shares
Basic Earnings Per Share

Amount in Taka	
01-Jul-2019 to 31-Dec-2019	01-Jul-2018 to 31-Dec-2018
152,343,615	228,826,148
173,791,441	173,791,441
0.88	1.32

10.01 Diluted Earnings 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.

Profit attributable to the Ordinary Shareholders
Total Number of shares
Diluted Earnings Per Share

152,343,615	228,826,148
173,791,441	173,791,441
0.88	1.32

10.02 Total Number of Ordinary Share outstanding

Opening number of shares outstanding
Add: Ordinary shares issued during the period
Total

173,791,441	173,791,441
-	-
173,791,441	173,791,441

11.00 NET ASSET VALUE (NAV) PER SHARE

Total Assets
Less: Intangible Assets
Total Liabilities
Net Asset Value (NAV)
Weighted Average Number of Ordinary shares outstanding
Net Asset Value (NAV) Per Share

29,760,490,810	30,186,245,753
(162,991,595)	(166,798,327)
(22,127,894,895)	(22,705,993,454)
7,469,604,319	7,313,453,972
173,791,441	173,791,441
42.98	42.08

12.00 NET OPERATING CASH FLOW (NOCFPS) PER SHARE

Net Operating Cash Flows
Weighted Average Number of Ordinary shares outstanding
Net Operating Cash Flows per share

1,187,509,674	332,708,386
173,791,441	173,791,441
6.83	1.91

IAS 7.18(b)

13.00 RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT

	<i>Amount in Taka</i>	
	01-Jul-2019 to 31-Dec-2019	01-Jul-2018 to 31-Dec-2018
Total Comprehensive Income for the period	152,343,615	228,826,147
Adjustment for:		
Income tax expense recognized in profit and loss	88,425,522	76,275,382
Workers' profit participation & welfare fund	12,672,060	16,057,975
Amortization of intangible assets	3,806,731	1,916,393
Depreciation of non-current assets	499,947,737	488,071,826
	757,195,664	811,147,723
Adjustment for separate consideration		
Finance cost recognized in profit and loss	530,940,857	546,956,435
Movements in working capital:		
(Increase)/decrease in inventories	(221,204,494)	(640,166,490)
(Increase)/decrease in trade and other receivables	643,781,629	(251,307,552)
(Increase)/decrease in advance, deposit and prepayment	(488,346,234)	(426,959,912)
Increase/(decrease) in trade payables & other payables	(173,736,497)	12,925,427
Increase/(decrease) in provision for expense	174,338,079	307,922,196
Cash generated from operations	(65,167,518)	(997,586,330)
Income taxes paid	(35,459,330)	(27,809,442)
Net cash (used in)/ generated by operating activities	1,187,509,674	332,708,386

IAS 7.35

14.00 SIGNIFICANT DEVIATIONS

- 14.01 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, increase in utility costs and other overhead costs, increase in bank interest rate, increased in depreciation expenses.
- 14.02 Net Operating cash flow per share (NOCFPS) increased from same period previous year because of decrease in value of imported raw materials and increased in collection of trade and other receivables.

15.00 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



Registered Office

Plot# 125/A, Road# 2, Block# A, Bashundhara R/A, Dhaka-1229, Bangladesh
Phone: +88 02 8432008-17 Fax: +88 02 8432196

Head Office

Bashundhara Industrial Headquarters-2, Plot# 56/A, Block# C, Umme Kulsum Road,
Bashundhara R/A, Dhaka-1229, Bangladesh
Phone: +88 02 8432289-93 Fax: +88 02 55037257

Factory

Bashundhara Paper Mills Ltd. (Unit-1), Phone: +88 096121 22234
Bashundhara Paper Mills Ltd. (Unit-2), Phone: +88 09612122235
Bashundhara Paper Mills Ltd. (Unit-3), Phone: +88 09612122236

Email: info.paper@bg.com.bd

Web: www.bashundharapapermills.com